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"I'd suggest we handle it this way. It'll do a better job for everyone concerned."

This is an Illinois R. B. Jones underwriter giving a producer the benefit of our many years of experience at insuring risks which are out of the ordinary.

These are words which mirror the philosophy of an organization which regards underwriting as a creative occupation—an organization with a pioneer spirit that keeps its people always on the alert for ways of doing a better job for you, the producer, and your clients.

When you refer to us a risk which presents some problems, we work at the solution with the enthusiasm of men who derive excitement from applying knowledge to problems.

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THURSDAY, JUNE 23, 1955

Excuse us, Mr. Agent!

DO YOU HAVE TEC IN YOUR TECHNIQUE?



WE KNOW that you're a highly successful salesman of the property lines. But does your sales presentation include the very important Time Element Coverages? When disaster strikes a business, Fire Insurance and Extended Coverage will help rebuild it . . . but only TEC can keep it going during this time.

TEC lines such as Business Interruption, Rents, Extra Expense and Earnings are vital to the protection of almost every business and institution. And you'll find them easy to sell, especially with the help your Travelers Field Man is ready to give you. Why not call on him *now*.

THE TRAVELERS FIRE INSURANCE COMPANY - HARTFORD 15, CONNECTICUT

Ways to Increase Business Told To N. E. Agents

Methods For Meeting Direct Competition Are Also Explained

BY EDWARD F. COX

POLAND SPRING, ME.—Some 335 local agents and their wives were on hand here for the annual summer meeting of New England Advisory Board of New England Assns. of Insurance Agents at which ways to increase business and methods of meeting direct writer competition were discussed.

The three day program included a panel discussion by insurance buyers and local agents. Buyers participating were Bion Francis of Olin Industries, George Rogers of Robert Gair, Inc., and Charles A. Martin of American Cyanamid. Agents were Walter North of Bridgeport, Archie Slawsby of Nashua, N. H., Archie Dodge of Portland, Me., and Horace Darlington of Boston.

Mr. Francis said he feels agents and insurers should do more loss prevention work and that local agents when working out a program for an insured's plant should make it a point to talk with all persons in the plant concerned with loss prevention to get their ideas on coverage needed.

Mr. Martin said his company values loss prevention activities by agents and brokers and welcomes frequent plant inspections. He said, "We would welcome knowing agents' problems so we can make life easy for them."

Mr. Rogers said too much is often taken off for depreciation in a fire loss.

Mr. Slawsby, a member of NAIA executive committee, said the agent must sell the policyholder on loss prevention.

Mr. Darlington said one big problem is finding an insurance market to fit the problems of the buyers and said an agent can help the buyer by acting as an intermediary with the underwriters.

Mr. North reported some agents are having difficulty in selling purchasing agents of small local companies and asked what could be done to overcome this problem. Mr. Rogers said the agent should bypass the purchasing agent and talk to the firm's president to convince him of the coverage he needs.

The program Wednesday included the showing of American's film "Sell the Whole Umbrella"; and talks by Leo E. Kietzeman, secretary of American, William Parker, Aetna Casualty special agent in New Hampshire and a former direct writer, and Joseph A. Neumann of Jamaica, N. Y., NAIA president, who reviewed the activities of that organization.

The film explained how American meets competition with its family protection plan under which several coverages are provided insured with one agent handling the policies instead of several agents handling different types of coverages.

In discussing unused time element

(CONTINUED ON PAGE 32)

Health Council Survey Shows 2 of 3 People in the United States Have Health Insurance

Nearly two out of every three men, women, and children in the United States now are protected by voluntary health insurance. Health Insurance Council made this announcement in releasing the findings of its ninth annual survey of health insurance in America, as of Dec. 31, 1954.

"This survey shows," said council chairman John H. Miller, "that many more Americans now have more and better health insurance than ever before. Measured in terms of benefits paid out by insuring organizations in 1954, striking progress was made during the year. And the survey figures indicate continuing progress at rapid rates for the foreseeable future."

Mr. Miller, who is vice-president and actuary of Monarch Life of Massachusetts estimates that, by the end of this month, some 104 million persons will have voluntary health insurance against hospital expenses. About 89 million people will have surgical expense protection, and 50 million will have regular medical expense protection. These figures are based on conservative projections of the 1954 year-end data presented in the survey. Mr. Miller said.

Despite some slackening in the economy, more Americans had more and better voluntary health insurance at the end of the year than ever before. Measured in terms of benefits paid out by the insuring organizations, the progress in 1954 was striking.

Information released this week presents the preliminary findings of the annual survey. A final report, including state-by-state figures, will be issued in the fall.

For the purposes of the annual survey, five types of voluntary health insurance are distinguished. These are hospital, surgical, regular medical and major medical expense protection, and protection against loss of income. Additional types of protection, not within the scope of the term "voluntary health insurance," as used in the survey, but which are of substantial help to many Americans in meeting the costs of sickness and accident, are enumerated.

During 1954, the number of people in the U. S. with hospital expense protection increased by 4.3%, to a new high of 101,493,000 (adjusted for duplication). This growth rate was over 2 1/2 times as rapid as the rate of growth for the population as a whole (which was about 1.7%).

For surgical expense protection, the numbers covered grew at a rate of 6.1%—more than three times as fast as population growth. The unduplicated number with surgical expense protection at the end of 1954 was 85,890,000.

Regular medical expense protection grew at the even more rapid rate of 10.7%—more than six times the rate of population growth—and the unduplicated number covered at the end of 1954 was 47,248,000.

These three forms of voluntary health coverage are provided by insurance companies, by Blue Cross-Blue Shield, and by a variety of independent plans.

Some persons, of course, are protected against hospital, surgical, or regular medical expense by more than one policy or subscription contract. The following table brings out the estimated extent of such overlapping:

Type of Coverage	Number of Persons Protected		
	Hosp. Exp.	Surg. Exp.	Reg. Med. Exp.
Group	35,090	35,723	15,788
Individual	25,338	21,442	6,513
Unadjusted Total	60,428	57,165	22,291
Deduction for Duplication	5,146	4,359	1,570
Net Total			
with Insurance- Company Protection	55,282	52,806	20,721
Blue Cross-Blue Shield	47,484	34,899	24,688
Independent Plans	5,196	4,801	4,908
Grand Total	107,962	92,506	50,297
Deduction for Duplication of Persons Protected by More than One type of Insuring Organization	6,469	6,616	3,049
Net Total of Persons Protected	101,493	85,890	47,248

People with hospital, surgical, and regular medical expense protection can also be classified as between employed or primarily insured persons and those protected as dependents. For hospital expense protection, 44,053,000 persons had primary protection, while 57,440,000 persons (mainly wives and minor children) were covered as de-

(CONTINUED ON PAGE 28)

Mont. Agents to Resume their Battle vs Sask. Insurer

To Appeal Case to State Supreme Court; Holmes Is Co-defendant

An appeal has been filed to have Montana supreme court hear the case of Gardner C. Waite, in behalf of Montana Assn. of Insurance Agents, asking that Saskatchewan Guarantee & Fidelity of Regina be barred from writing business in the state. Notice of the appeal was filed with Lewis & Clark county district court on the decision by District Judge Shea at Glasgow.

Judge Shea said Mr. Waite's contention that competition of the Saskatchewan government-owned insurer would injure him by loss of business "Is a wrong for which the law, in the opinion of the court, provides no remedy." He also said Mr. Waite "is not a proper party to, and does not have sufficient interest in the outcome of this law suit to bring the instant action."

Mr. Waite also named Commissioner Holmes of Montana as co-defendant, as he was in the original action.

The Montana agents have been waging a battle single-handed to have the provincial government insurer's license cancelled on the grounds that it is an agency of a foreign government and the state had no right to license it under either the Montana or the U. S. constitutions.

The district judge in his ruling against Mr. Waite did not touch on these matters, but decided the case wholly on the rights and interests of Mr. Waite to bring suit.

Loble & Loble of Helena are representing the agents.

Robert Maxwell Is Third to Receive WUA Citation

Robert B. Maxwell, Indiana state agent of New York Underwriters, became the third recipient of the Western Underwriters Assn. citation during the annual meeting last week of Indiana Fire Underwriters Assn. He is the third person to receive the award since it was established in 1953, the previous recipients being Ray W. Kapp, Phoenix of Hartford state agent in Ohio, and Paul B. Olinger, Cook County manager of Agricultural.

Mr. Maxwell received his award from Walter G. Dithmer, assistant manager of WUA. It was presented to him for his outstanding work in promoting educational caravans and booths at fairs and exhibits and for his work in public relations. Mr. Maxwell is chairman of the public relations committee of Indiana Fire Underwriters Assn., and previously was secretary and later president of Iowa Fire Underwriters Assn. He is a CPCU.

Late News Bulletins . . .

Ga. Raises Tax, Puts One on Credit Cover

The Georgia legislature enacted an increase from 2 to 2 1/2% in the premium tax on out of state insurers. It also enacted a law imposing a 3% tax on all fees, premiums and interest on loans made under the state's new small loan law, with the lending agent required to pay the levy.

Sun Insurers in U. S. Now Sun of N. Y.

As of July 1, Patriotic and Sun Underwriters Ins. Co. will merge into Sun Indemnity. The surviving member of the merger, Sun Indemnity, will change its name to Sun Ins. Co. of New York, a multiple line insurer.

Capital of the new company will be \$2 million, assets \$20 million and policyholders surplus more than \$8 1/2 million. As a member of the Sun group which is headed by the Sun Office of London, founded in 1710 A. D., it will maintain the existing services of all companies while offering its agents multiple line

(CONTINUED ON PAGE 30)

Tells of National Board's Campaign to Sell Local Agent

A. Bruce Bielaski, assistant general manager of National Board, told American Assn. of Managing General Agents meeting in San Francisco that the board's forthcoming national advertising program will tell of services that only a stock fire agent, because of his unique position in the community, can render.

The agent can render these services, Mr. Bielaski said, because:

"He is your neighbor. He knows you and your insurance needs. He is available to you at all times.

"He is an independent local business man. That means he wants your business and wants to keep it. To keep it he has to give you, the policyholder, complete satisfaction.

"He is an expert on insurance and he can provide for all your insurance needs, not just a few lines.

"He represents many companies so is not beholden to any one of them. But he has to live with the policyholder."

To identify the local agent in readers' eyes, Mr. Bielaski said, National Board is playing up the "standard protection" seal of stock company insurance.

The seal will form the sole illustration of the first national advertisement appearing in September, he said, and when the public sees it in agents' windows, and on posters and in automobile windows, the seal will come to have increased meaning as the identification of a good insurance agent who will serve the public better.

National Board is making available thousands of decalcomanias of the seal for display, as well as cuts which agents can use in printing their own letterheads and for local advertising.

Subsequent ads in the series, which will run in the *Saturday Evening Post*, *This Week*, *Time*, and *Farm Journal*, monthly September through April, will use a case history approach to illustrate agency service.

Among the services the board will emphasize, he said, are advice an agent can give in helping the policyholder minimize damage, fire prevention knowledge, quick service under the catastrophe plan, assistance in helping insured maintain adequate insurance, and service at time of loss.

The theme in each ad was taken from typical policyholders' case histories—reports from persons who have dealt with capital stock agents or brokers in their communities and appreciate their services, friendliness and understanding of insurance problems.

The board also is encouraging local boards and local agents to do as much advertising in their home town papers and on the radio and TV as they can afford. National Board is planning to provide in the coming campaign kits of advertising aids which it is distributing through state agents' associations. These kits will enable local boards and local agents to do considerable local advertising.

Mariners Give Awards

New York Mariners Club awarded \$50 war bonds to David E. Burke of Royal-Liverpool group and Robert P. Fajardo of Fireman's Fund group for their outstanding work in the school of insurance of Insurance Society of New York. The award is made each semester to the outstanding student of inland marine insurance.

More Risks Ruled in IM Definition

The committee on interpretation has received a number of inquiries as to whether coverage in specialized automotive equipment manufactured either as complete units or with equipment such as cranes, compressors, etc., mounted on or a part of an automotive chassis or trailer, is inland marine. The committee has ruled that this is inland marine if the equipment is joined to the chassis so that it becomes an integral part of it, and the equipment and chassis are so constructed that they constitute a single mechanical entity, mobile by nature. Its operation over the highway is considered incidental to such use.

The committee turned down the miscellaneous floater covering stock of merchandise intended for sale consisting principally of the property of insured or property of others for which insured is legally liable. The floater would insure anywhere in the U. S. without time limit, but coverage at premises owned or controlled by insured is excluded. The committee noted that the policy contains no time limit as to coverage of merchandise at premises to coverage of merchandise at premises not owned.

Does insurance of a fire alarm system of a small city, consisting of outside alarm boxes, overhead wiring and control and recording apparatus in the main fire house fall within the IM classification?

The committee ruled affirmatively as to fire alarm boxes and outside wiring but negatively on operating and control apparatus in the fire house.

All-steel asphalt mixing plants were ruled eligible for inland marine coverage. The inquiry dealt with a plant similar to a batch plant used in connection with large concrete installation, with steel legs of the plant firmly built into a foundation.

The committee ruled that insurance was not inland marine on transmission poles, transformers, regulators, switches, wire and hardware stored in insured's buildings and in open yards.

The most recent release of the committee indicates that in New Jersey, heating and air conditioning equipment dealers, industrial machinery and tool dealers, sporting goods dealers, professional or scientific instrument dealers, and marine supply dealers are eligible for IM policies. These are also eligible for IM in Florida, plus household appliance dealers and office machinery and supply dealers.

National Grange Figures in Auto Insert Were Incorrect

The showing of National Grange Fire in the Automobile Insurance Insert of the May 19 edition as regards lawsuits outstanding to automobile liability premiums earned was in error. The company was shown as having earned premiums in 1952-54 of \$4,463,259 and outstanding lawsuits of 1,099, giving a ratio of 24.6 suits per \$100,000 of earned premiums. Actually, National Grange Fire had \$16,893,210 of earned premiums during the period, thus its ratio of suits to premiums was 6.5.

The premium figures were inadvertently transcribed from the wrong column of the annual statement.

S. F. Forum Elects Goethe

Fire Underwriters Forum of San Francisco has elected Robert Goethe, General Cover Association, president; Ron Richards, Richards & Co., vice president; William Good, Crum & Forster, secretary and Ted Werner, Fireman's Fund, treasurer.

Wessendorf to S. F. For Springfield F.&M.

Roy E. Wessendorf, resident secretary at Chicago of Springfield, will be transferred to San Francisco as resident secretary July 1. In making the announcement, President S. Dwight Parker stated that Mr. Wessendorf had been assigned to important official duties in Springfield in 1926 at Chicago where he worked in various

underwriting departments, served as office manager and as an inland marine special agent. In 1947 he was named superintendent of agencies in charge of inland marine operations for the group's western department. He was elected resident secretary in 1948.

He is a member of the managing and conference committees of Farm Underwriters Assn., the Rocky Mountain committee of Western Underwriters Assn., of planning and research of Western Conference of Special Risk Underwriters, of the executive and conference committees of Texas Insurance Advisory Assn., and chairman of the oil properties committee of Texas Association.

He is vice-chairman of New Trier, Ill., district executive committee of the boy scouts. His honorary titles from state governors include Arkansas traveler, honorary Texas citizen and Commodore of the Oklahoma navy.

Highlights of the Week's News

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Montana agents resume their battle against Saskatchewan insurer	Page 1
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H. W. Miller heads newly-organized Reporting Form Service Office	Page 4
Maryland agents hear P. L. Whittington term continuous appraisal a necessity	Page 7
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Robert M. Morrison offers suggestions for meeting atomic age insurance problems	Page 15
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New York State Fund cuts disability benefit liability rates 10%	Page 24
Bankers L. & C. counsel blasts FTC ad case, asks dismissal	Page 9
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Insurance women elect Elizabeth DeCesari plan to establish central office	Page 11
Allstate withdraws Washington fire rate suit as bureau cuts rates	Page 11

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for experienced attention

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116 John Street, New York 38

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Board of Trade Bldg., Chicago 4

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always at your service Around the Clock

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This ad is talking to 37,160,000 People— to help you sell!



Hard-working Advertisements

like this one are seen
regularly by millions in
*Life, Look, Saturday
Evening Post, Collier's,
Reader's Digest, Farm
Journal, Successful
Farming, Time, Newsweek,
U. S. News & World
Report* and other leading
publications—to
stimulate greater demand
for New York Life
products.

**TO MEN WHO NEED
(BUT THINK THEY CAN'T AFFORD)
\$10,000
MORE LIFE INSURANCE...**

New York Life has a wonderful new policy for you!

Now! For those who need at least \$10,000 more
life insurance—the new low-premium Whole
Life policy that builds high cash values fast!

Here is a policy that offers you permanent life insur-
ance in an "economy-size package." Because the mini-
mum amount is \$10,000, economies are possible which
are passed along to you and make the premiums much
lower than they would otherwise be. For a man of 35, for
example, the annual premium for standard life insurance
is only \$23.59 per \$1,000. And rates are correspondingly
low all along the line!

And another important thing: Low as the premiums
are, this new policy builds up high cash values quickly—
equal to the full reserve after only seven years! That
means you have a source of ready cash available for
emergencies.

New York Life is a mutual company and pays divi-
dends to policy owners only. The dividends payable on

this policy can be used to reduce premium payments or
allowed to accumulate to increase the policy's cash value
or applied under other available options. The low pre-
miums, high cash values, and dividends combine to make
Whole Life unusually attractive from a net cost viewpoint.

There are many other outstanding features about this
new policy which make it most attractive for both men
and women. It is issued to age 70. An applicant who may
not be able to qualify for standard insurance for reasons
of health or occupation may be insurable under this
policy at a higher rate. To prevent unintentional lapse,
it offers automatic premium loan for two consecutive
premiums. At most ages policies are available at slightly
higher premium rates.

If you have been telling yourself that you ought to
have more life insurance to protect your family or your
business—but have been putting it off because you think
you can't afford it—ask your New York Life agent for
all the facts or mail the coupon below, today!

**MAIL THIS
COUPON NOW!**

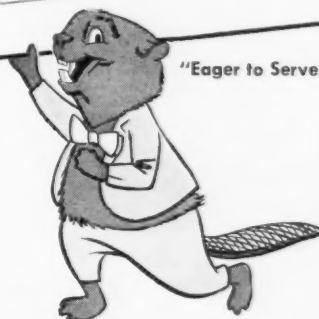
**NEW YORK LIFE
INSURANCE COMPANY**

The New York Life Agent in Your Community is a Good Man to Know

New York Life Insurance Company
51 Madison Avenue, New York 10, N. Y.

Please furnish me, without obligation, full information on
your new, low-premium \$10,000 Whole Life Insurance policy.

NAME _____ AGE _____
ADDRESS _____ PHONE _____
CITY _____
STATE _____



BROKERAGE
DEPARTMENT

**NEW YORK LIFE
INSURANCE COMPANY**

A MUTUAL COMPANY *nylic* FOUNDED IN 1845

Modern policies for modern needs include Ordinary Life Insurance, Group Insurance, Accident and Sickness Insurance and Pension Trusts.

Change in Marsh & McLennan Officers

Laurence S. Kennedy of New York has been elected chairman of Marsh & McLennan, and continues as chief executive officer. He is succeeded as president by Hermon D. Smith, Chicago, who becomes chief administrative officer. He has been executive vice-president in charge of the Chicago office including general supervision of midwest offices.

Charles W. Seabury of Chicago has retired as board chairman but continues as chairman of the finance committee and a director.

Herbert F. Eggert of New York and Preston H. Kelsey of San Francisco become board vice-chairmen, Walter A. Schwindt of New York vice-chairman of the finance committee, and W. Donald Maus chairman and John Holbrook of New York, vice-chairman of the executive committee.

Theodore W. Bailey of New York and Robert C. Borwell of Chicago were elected directors. Mr. Seabury was president 1937 to 1944 when he became chairman. Mr. Kennedy joined

Marsh & McLennan in 1917, became vice-president in 1926, and president in 1944. He is a director of Transatlantic, Insurance Society of New York, and American committee of Lloyds register of shipping.

Mr. Smith joined Marsh & McLennan in 1928, became vice-president in 1931, a director in 1944 and executive vice-president in 1949. A trustee of the University of Chicago, he is president of Chicago Historical Society and community fund of Chicago.

Mr. Eggert started in 1902 with Atlantic Mutual. He joined Marsh & McLennan in 1919 when Parsons & Eggert was merged with it. He was elected a vice-president and director in 1923.

Mr. Kelsey started with Sun office in 1925. In 1929 he joined Marsh & McLennan in New York and became assistant vice-president in 1942 and vice-president in 1944. He transferred to San Francisco in charge of the west coast in 1946 and became executive vice-president in 1954.

Mr. Schwindt has been with Marsh & McLennan since 1922. He became an assistant vice-president in 1939, was elected a vice-president in 1941, and a

director in 1951.

Mr. Maus was five years with Northwestern F. & M. before joining Marsh & McLennan in Minneapolis in 1921. He was elected a vice-president in 1930, a director in 1935, assistant to the president in 1949 and executive vice-president in 1951.

Mr. Holbrook joined Marsh & McLennan in 1931, became assistant vice-president in 1945, a vice-president in 1947, and a director in 1951.

Mr. Bailey joined Marsh & McLennan in 1922, became assistant vice-president in 1942, vice-president in 1947, and a director in 1955.

Mr. Borwell started in insurance in 1925 with Aetna Casualty. He joined Marsh & McLennan at Chicago in 1927 and was named assistant vice-president in 1937, vice-president in 1941 and a director in 1955.

North British Outing

This year, instead of the annual boat ride, the employees' club of North British group held an outing and picnic at Parsippany, N. J. for employees only.

A skeleton force was maintained in underwriting and other departments at the home office in New York City.

More Substantial Cuts in PHD Rates

Rates for automobile physical damage coverages have been reduced in Pennsylvania and increased in Vermont, and private passenger automobile rates are reduced in Arizona, Idaho, Montana, Nevada and Utah, effective June 20, by National Automobile Underwriters Assn.

The Pennsylvania decrease is \$1,930,000 annually. Average private passenger collision reductions are 2% on \$50 deductible and 4% on \$100 deductible, for an average of 2%.

Commercial local and intermediate fire rates are down 20% and commercial long distance fire rates are reduced 10%. In addition a credit of 20% is approved for collision on commercial automobiles. Also reduced is collision on private livery automobiles, fire theft and comprehensive on funeral directors automobiles, etc.

In Vermont the changes will result in an annual increase of \$61,000. Private passenger collision rates for \$50 deductible are up 4% and for \$100 deductible up 5%. The increases are offset, to a large degree, by the 13% reduction for young women operators and the 10% credit for driver education. The changes in miscellaneous commercial vehicles are the same as those in Pennsylvania on similar vehicles.

In Arizona, comprehensive private passenger rates are down 15%, private passenger \$50 deductible collision is down 19% and \$100 deductible 15%.

In Idaho, comprehensive private passenger premiums are reduced 7%, \$50 deductible collision 7% and \$100 deductible 5%.

In Montana, comprehensive private passenger rates are down 7%, private passenger \$50 deductible 7%, and \$100 deductible 5%.

In Nevada, comprehensive private passenger is down 5%, \$50 deductible collision 6%, and \$100 deductible 7%.

In Utah, comprehensive private passenger rates are down 8%, \$50 deductible collision private passenger rates 6%, and \$100 deductible 8%.

In addition, the 13% reduction for young women operators is effective in these states as well as the 10% credit for driver education.

In Maine the annual decrease is estimated at \$326,000, and in Maryland \$1,445,000, starting June 27.

Private passenger collision levels in Maine for \$50 deductible are reduced 4½% and for \$100 of 5½%. The young woman operator and driver education credits are effective.

In both Maine and Maryland commercial local and intermediate fire rates are reduced 20%, long distance fire rates 10%. Local, intermediate and long distance collision rates are reduced to 10% and the 20% credit is given farmers. Reductions in miscellaneous classes are made, as in other states.

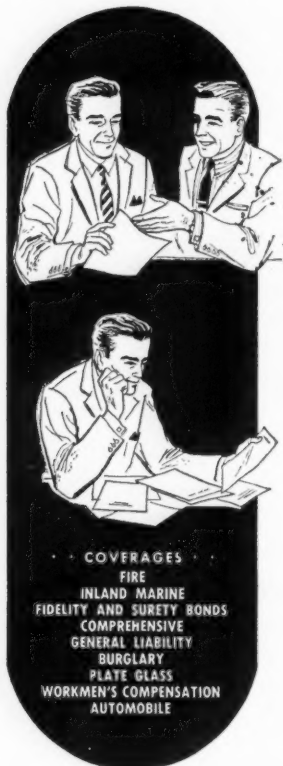
Private passenger collision rates are reduced by approximately 10%.

American Fire of D. C. Elects New President

Edmund M. Emmerich has been elected president of American Fire of D. C., succeeding Carl J. Bergmann, president 19 years. Mr. Emmerich's father, George M., was secretary of the company many years. Julius A. Maedel, president of Washington Permanent Building Assn. was elected a director.

You're an Ambassador of

GOOD BUSINESS



COVERAGES
FIRE
INLAND MARINE
FIDELITY AND SURETY BONDS
COMPREHENSIVE
GENERAL LIABILITY
BURGLARY
PLATE GLASS
WORKMEN'S COMPENSATION
AUTOMOBILE

When You Represent CENTRAL SURETY

Central Surety agents enjoy the benefits of close cooperation with and from the Home Office. This results in prompt and efficient service to your clients and the kind of claim handling which gains the confidence and respect of the Insured. Central Surety protection is good business... and it's good business being a Central Surety agent.

The Central Surety name in connection with your work is a symbol of progress, integrity, prestige... expressive of all that your clients expect as a part of their protection.

Central Surety agency facilities establish you as an insurance representative of the highest class... an Ambassador of GOOD BUSINESS.

A Multiple Line Company

CENTRAL SURETY AND INSURANCE CORPORATION

HOME OFFICE—KANSAS CITY 41, MISSOURI

Va. Agents Hear Kinzer Success Story; Present Awards for Outstanding Efforts

ROANOKE—The closing hours of the annual convention of Virginia Assn. of Insurance Agents here were featured by the description of how to sell insurance in a small mountain town by Frank E. Kinzer of Covington, a past president of the association, and by the awards of cups and plaques for outstanding efforts which were made at the banquet.

The past presidents' award, which was presented by J. Victor Arthur of Winchester, went to Mr. Kinzer for his work in stimulating interest in and improvement of the insurance business.

The B. P. Carter cup, donated by Mr. Carter of the general agency at Richmond bearing his name, and presented for the best local board job in the state for the year, went to Richmond. William H. Branch made the presentation to the Richmond association. Norfolk was third and northern Virginia was second.

J. Norvell Trice of Richmond was the winner of the stock fire insurance field club award for public relations, educational, company-agency relations, and conservation work. Mr. Trice headed the educational committee of the association the past year. Richard B. Leary of Great American, president of the field club, made the presentation.

The Maryland Casualty plaque for the committee doing an outstanding job for the year went to the educational committee. Caleb D. West Jr. of Newport News, made the presentation. Joseph A. Neumann of Jamaica, N. Y., president of NAIA, installed the new officers. The next day the Royal-Liverpool plaque for the best essay on salesmanship was presented to C. P. Barger of Waynesboro.

One resolution was adopted which called for scrutiny of representation of non-stock insurers or participation by a capital stock insurer with a non-stock insurer in joint insurance proposals on Virginia risks.

The local agent in a small town is close to his prospects and insured, Mr. Kinzer pointed out. Consequently, he has to sell himself as well as policies. He is expected to have insurance facts at his fingertips and be able to deliver them at a moment's notice.

For such an agent, the location of the office is important. He said the best move he had ever made was from a second to a first floor location. The stairs discouraged customers—and sometimes discouraged him, he said. His present office is near the post office so that he sees most of the people in town every day; they walk past his window, and he can step to the door and speak with any of them. People like this informal availability. In his town, he said, people think that insurance is insurance and they will drop into the most convenient place to get it.

He has a good window, it often contains home town announcements, and it attracts attention.

The location is also near the bank and is handy when negotiations in the bank reach a stage where quick information in the insurance elements involved is needed. He is also near the court house, and both the bank and the court house are good sources of business.

The word "service" is used more in the insurance business than in any other, he commented. However, in insurance it means less. Most agents don't give any service. What Mr. Kin-

er tries to do in Covington is to give service from the time he explains what the prospect needs until the insurance carries through to a loss.

The service certainly means more than the application of a 3-cent stamp every three to five years to mail a renewal.

He checks personally on claims and losses. Insured generally are unnerved

by calamity. They are confused about what to do. Any reasonable suggestion by him, he said, reassures them.

Personal service is not easy. It has to be delivered whenever it is needed—at night, in the early morning, on the weekends and holidays, at parties, or wherever the local agent may be.

In connection with losses, Mr. Kinzer does not stop with a casual visit to the scene of the accident. For example, he looks over the car and sees to it that it is taken to the garage. The advantage of the local agent over the

direct writer is that he can, within limits, adjust losses, subject to the approval of the company. If a loss adjustment is slow and long, the customer becomes more and more apprehensive, so that when the loss finally is adjusted, it does not seem enough money adequately to pay for the apprehension and anxiety, the distress of delay.

He gets business because insured wants to change from a company that takes 30 days, say, to adjust a physi-

(CONTINUED ON PAGE 30)

THE CRUM & FORSTER GROUP

FINANCIAL STATEMENTS AS OF DECEMBER 31, 1954

ASSETS

	UNITED STATES FIRE INS. CO.	NORTH RIVER INS. CO.	WESTCHESTER FIRE INS. CO.	U. S. BRANCH WESTERN ASSURANCE	U. S. BRANCH BRITISH AMERICA	SOUTHERN FIRE INS. CO.
Cash in Banks & Trust Companies	\$ 8,882,644	\$ 4,053,093	\$ 3,950,563	\$ 904,441	\$ 533,367	\$ 819,177
★ United States Government Bonds	36,908,816	19,905,120	19,926,605	6,931,823	3,701,674	2,388,736
★ Other Bonds	16,422,150	8,080,358	9,112,363	1,278,895	716,220	799,324
★ Stocks	44,529,695	29,259,270	29,772,345	1,108,403	1,323,504	1,975,439
Mortgage Loans on Real Estate	3,859	5,900	10,804	0	0	0
Real Estate	112,590	0	0	0	0	0
Premium Balances Receivable (Not over three months due)	3,394,990	1,883,629	1,697,854	388,533	202,104	241,504
Interest and Real Estate Income Accrued	227,533	118,365	151,621	24,272	13,847	12,016
Other Assets	2,555,861	688,412	2,086,614	169,467	80,847	89,158
Total Admitted Assets	\$113,038,138	\$63,994,147	\$66,708,769	\$10,805,834	\$6,571,563	\$6,325,354

LIABILITIES

Reserve for Unearned Premiums	\$ 37,863,757	\$19,399,320	\$21,142,469	\$ 3,716,050	\$2,038,636	\$2,521,253
Reserve for Losses and Loss Expenses	10,848,316	6,103,621	7,072,634	1,391,790	742,699	730,715
Reserve for Taxes and Expenses	2,328,536	1,424,700	1,583,000	377,500	199,000	177,240
Reserve for All Other Liabilities	2,223,102	846,802	1,243,414	209,895	104,010	41,066
Capital	3,000,000	2,000,000	2,000,000	†500,000	†500,000	750,000
Net Surplus	56,774,427	34,219,704	33,667,252	4,610,599	2,987,218	2,105,080
Surplus to Policyholders	59,774,427	36,219,704	35,667,252	5,110,599	3,487,218	2,855,080
	\$113,038,138	\$63,994,147	\$66,708,769	\$10,805,834	\$6,571,563	\$6,325,354

* Bonds and Stocks are valued in accordance with the basis adopted by the National Association of Insurance Commissioners.

Securities in statements include amounts deposited with various states, as required by law, in the following amounts: United States Fire, \$4,533,536; North River, \$3,475,523; Westchester Fire, \$3,431,237; Western Assurance, \$1,188,935; British America, \$1,140,268; Southern Fire, \$512,658.

On the basis of December 31, 1954 market quotations for all bonds and stocks owned, the Total Admitted Assets and Surplus would be increased by the following amounts: United States Fire, \$399,634; North River, \$50,022; Westchester Fire, \$2,152; Western Assurance, \$2,287; British America, \$4,806; Southern Fire, \$18,848.

† Statutory Deposit.

CRUM & FORSTER, MANAGER

110 WILLIAM STREET • NEW YORK 38, NEW YORK

WESTERN DEPARTMENT PACIFIC DEPARTMENT SOUTHERN DEPARTMENT VIRGINIA-CAROLINAS DEPARTMENT ALLEGHENY DEPARTMENT
FREEPORT, ILLINOIS SAN FRANCISCO, CALIFORNIA ATLANTA, GEORGIA DURHAM, NORTH CAROLINA PITTSBURGH, PENNSYLVANIA

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and Local Truckers requiring all point coverage from tailgate to headlights we tailor make the difficult risk.

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Miller Is Chairman of New Reporting Form Service Office

National Insurance Service Organization and Multiple Location Service Office are being dissolved at the close of business June 30 and will be succeeded by the newly organized Reporting Form Service Office.

H. W. Miller of Commercial Union-Ocean group is chairman of the governing committee of the new organization. J. L. Erhardt of Royal-Liverpool group is vice-chairman, C. M. Close of Great American treasurer, T. D. McCarl, manager and H. F. Perlet, general counsel.

Reporting Form Service Office has 68 groups, comprised of 176 companies, as charter members and seven companies as charter subscribers.

Insurers elected as members of the original governing committee are Aetna Fire, Aetna Life, America Fore, American Insurance, Commercial Union-Ocean, Fireman's Fund, Great American, Hartford Fire, Loyalty, Royal-Liverpool and Sun of London, all groups, and Home.

N. Y. Board Appointments

New York Board President T. Morgan Williams has named as directors Philip W. Barnes of Fire Association, David S. McFalls of R. B. McFalls & Son and Eugene C. Richard of American of Newark. Lee W. Taylor of Fireman's Fund and A. C. Wallace of Agriculture have been elected chairman and vice-chairman, respectively, of the committee on electricity and Frederick P. Walther of Fidelity-Phoenix and Thomas E. Maddams of Glens Falls were named to similar posts on the committee on fire prevention and water supply.

Kiddoo Suggests Ways Contractors Can Aid Business

An address by Guy G. Kiddoo, vice-president of First National Bank of Chicago, before the Carolinas branch and the Texas chapters of Associated General Contractors has been reprinted in pamphlet form by Surety Assn. of America.

Construction Profits and Problems discusses, from the viewpoint of a banker familiar with construction work, the problems confronting the contractor in his efforts to do a good job and make a reasonable profit.

Mr. Kiddoo pointed out that following the second world war there was a great influx of new construction firms, and keen competition caused many of them to fail. For the first seven months of 1954 failures were at the annual rate of 1,100 contractors with liabilities of more than \$43 million, an increase of 35% over 1953. These figures, Mr. Kiddoo says in the pamphlet, show the justification for the surety bond premiums that contractors pay.

About 90% of the contractors' failures were due to incompetency, lack of managerial experience or unbalanced experience.

Mr. Kiddoo thinks that many contractors could well devote more time to the education and training of foremen and superintendents who are largely responsible for the return obtained on the labor dollar. Yet many contractors will turn over management of an important job, where labor may be 40% of the cost, to some employee whose principal qualifications are that he is loyal and honest and can be depended upon not to run away with any of the boss' money or materials.

But, such an employee may have fallen behind in the march of progress in labor-saving technique and may cost the contractor more money than anyone could possibly filch through dishonesty.

Mr. Kiddoo also thinks that the instruction of superintendents and foremen should include the handling of labor sympathetically and intelligently to obtain maximum production and the importance of safety precautions.

The proper management of machines is also important and with the high cost of equipment, thorough training should be given to those responsible for its maintenance and operating efficiency.

In the management of money a successful contractor must have accurate, up-to-date accounting methods to provide the continuous flow of information essential for control and analysis of operations.

Mr. Kiddoo said that any contractor building more than a house or two at a time can well afford to pay the fees of a competent auditor for an annual review of his operations and preparation of a financial statement.

If the contractor expects to borrow money or obtain a surety bond, an audited statement carries more weight.

The Chicago banker also warned contractors against putting all their eggs in one basket. The cases of complete failure he has seen over many years were usually those where a contractor spread his resources so thinly over a number of jobs, or concentrated them so greatly in one or two jobs that he did not have the safety margin to absorb a loss.

Single copies of the pamphlet are available without charge from the association's educational department, 60 John street, New York 38.

THE POINT IS

THE
INSURANCE AGENT
IS A GOOD MAN
TO KNOW!



Ohio Farmers Companies

OHIO FARMERS INSURANCE COMPANY • Chartered 1848
OHIO FARMERS INDEMNITY COMPANY

Le Roy, Ohio

EASTERN DEPARTMENT, Philadelphia • • • PACIFIC COAST DEPARTMENT, Los Angeles

Continuous Appraisal Needed to Determine Actual Cash Value

Actual cash value has a tremendous importance in the life of insurance, buyers, brokers, agents and adjusters. It serves as a basis for placement of insurance, measurement of the amount of the loss at the time of a fire, the application of the coinsurance clause, and the application of the pro-rata distribution clause, P. L. Whittington, district manager at Baltimore of American Appraisal Co. told Maryland Assn. of Insurance Agents at its mid-year meeting at Ocean City.

Actual cash value is not something which can be established once and for all and then forgotten. It is constantly changing, he said. Construction and equipment costs have become almost jet propelled. The construction cost index has risen 120% in 10 years. For instance, a vineyard company in California had an appraisal in 1946 and based its insurance on those values. The owners considered having the appraisal brought up to date, but hadn't got to it when in late 1949 they suffered a serious loss and were found to be coinsurers for a substantial amount.

Intermittent appraisals do not provide a solution. The basis for property insurance needs to be continually re-examined and readjusted.

Mr. Whittington said he was not too keen about occasional appraisals at five or 10 year intervals, but believes the real need today is for a continuing appraisal service rather than merely "an appraisal."

With such a record, maintained at a nominal annual cost, available, he said, insured is in a position whenever the fire sirens sound, to prepare an up-to-the-minute inventory which will provide the adjuster with all the information he requires to settle the loss quickly and equitably. Without it, sometimes it takes months or years to settle a claim.

Actual cash value is difficult to define, and the courts have made comparatively few decisions on the subject. In the McAnarney decision the New York court of appeals refused to accept either market value or cost of reproduction less depreciation as the sole measure of actual cash value, Mr. Whittington said.

However, the McAnarney case involved an unusual set of circumstances, he said, for the property was a malt manufacturing property back in 1928 when the national prohibition act was in force. Insured had erected a sign on the property offering it for sale for \$12,000 before a fire which resulted in a total loss. The cost of reproduction less depreciation was established in excess of the \$43,000 insurance. Insured contended he was entitled to full recovery and the company claimed that the amount of indemnity was the fair market value of \$12,000, less the value of the land. The higher court disagreed with both contentions and referred the case back to the lower court without defining specifically how actual cash value should be determined. The company and insured agreed on a compromise settlement without further litigation and the question was never fully resolved.

Although in this and other decisions, the courts refused to accept cost of reproduction less depreciation as the sole basis for indemnity, it likewise did not accept fair market value, Mr. Whittington pointed out. Appraisers must recognize that in certain unusual

situations where there is an unusually wide spread between cost of reproduction less depreciation and market value, some consideration must be given other factors. However, since, in the vast majority of cases, the fairest basis for indemnification to all concerned is cost of reproduction less depreciation, adjusters can proceed on this basis.

At the time the insurance is placed, the buyer is primarily interested in determining, in a broad way, the values involved with little thought to supporting details which will be required in the event of a loss.

Recently, Mr. Whittington said, his company was called by an industrial concern to assist in preparing the inventory section of a proof of loss. The adjuster for the insurer specified that he wanted a complete inventory of the destroyed, damaged and undamaged property, showing in detail

quantities, costs, actual cash value and amount of loss claimed and verified plans and specifications of any buildings, fixtures or machinery destroyed or damaged. He pointed out he didn't want "one building 50 by 100 feet" as a listing, but the number of bricks, the amount, kind and sizes of timber and steel framing and everything else that went into the building.

His company, Mr. Whittington said, was unable to help him prepare the inventory, but it was far more diffi-

(CONTINUED ON PAGE 23)

ONE EXAMPLE

OF HOW AMERICAN SURETY'S SERVICE SAVES AGENTS' TIME—
AND DEVELOPS NEW BUSINESS:

How we helped our Agents benefit
from the NEW auto policy!

PROBLEM:

How to be sure our agents get the best results with the new motor vehicle policy?

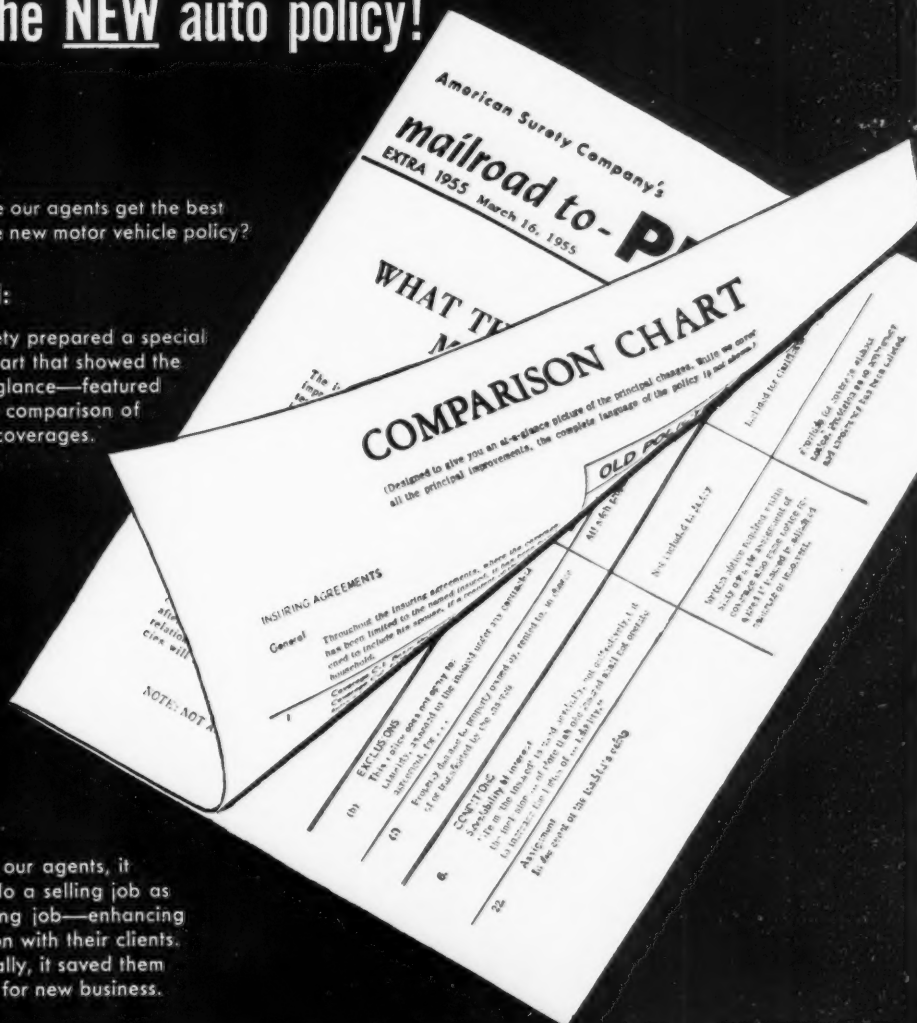
SOLUTION:

American Surety prepared a special time-saving chart that showed the changes at a glance—featured point-by-point comparison of old and new coverages.

RESULT:

Distributed to our agents, it helped them do a selling job as well as a telling job—enhancing their reputation with their clients. And, incidentally, it saved them valuable time for new business.

If you'd like to know more about this kind of agent-company teamwork—in terms of your own agency—contact our nearest branch office, or write our home office, Agency & Production Department, 100 Broadway, New York 5, N. Y.



AMERICAN SURETY COMPANY

FIDELITY • SURETY • CASUALTY • INLAND
MARINE • HOME OWNERS • ACCOUNTANTS
LIABILITY • AVIATION

100 Broadway • New York 5, N. Y.

Mich. Pond Promotes Eugene Saulcy for Grand Keeper

Michigan Blue Goose at its annual meeting last week at Port Huron started its campaign to have Eugene C. Saulcy of Great American elected grand keeper of the golden goose egg at the Grand Nest in Kansas City in August. The Blue Goose met in conjunction with the Michigan Fire Underwriters Assn. and Michigan Fire Prevention Assn.

If Mr. Saulcy is elected the Blue Goose will have its Grand Nest at Detroit in 1960. Mr. Saulcy has been active in the Michigan pond since 1927, and has served most loyal gander. He is also a past-president of Michigan Fire Underwriters Assn. and Michigan Fire Prevention Assn. (two terms).

Floyd W. Bushlen, Loyalty group,

was elected most loyal gander of the Michigan pond, and the other officers are: Supervisor, Elmer A. Gadde, Underwriters Adjusting; custodian, E. Emil Sademan, Agricultural; guardian, Eugene B. Martineau, American; keeper, Gerson R. Mordo, Loyalty group, and welder, Robert F. Irvine, Western Adjustment.

The pond took in seven goslings at a business meeting at which C. B. Kingman, Planet, outgoing MLG, presided.

The Moeller fishing trophy was won by George Pray of Western Adjustment, and the Stu Morgan golf trophy went to Lawrence Loffman, Royal.

Clarence Metzner, assistant manager Western Underwriters Assn., spoke at the joint business sessions of the Blue Goose and Fire Underwriters Assn. C. C. Ippenlatz, Crum & Forster, president of MFUA, presided.

Roy Jensen, Fireman's Fund, is the new president of Michigan Fire Underwriters Assn., with Harry Pollock,

New Hampshire, as vice-president, and G. F. Golterman, St. Paul F. & M., secretary.

The public relations committee of the fire underwriters is headed by Donald A. Cameron of North British, succeeding William Reid of Sun. The assistant public relations director is Harry R. Alm of Springfield F. & M.

Michigan Fire Prevention Assn. elected Frank G. Westerman, Boston, as president; John Hyde, Hartford Fire, vice-president; Arthur Gundersen, Northern of London, secretary, and David Morris, Great American, treasurer.

Asks Congress to End Discrimination on Marine Business

New York Board of Trade has called upon Congress to end discrimination against American insurers in the placement of coverage on foreign economic aid shipments.

M. D. Griffith, executive vice-president of the board, wrote Rep. Richards, chairman of House foreign affairs committee, that "inequitable foreign operation administration regulations have reduced the extent of American market insurance coverage to only 5% of all FOA shipments." He asked his support of an amendment to the mutual security bill that would end the discrimination and permit American insurers to compete on an equal basis with foreign insurers for marine coverage on such shipments.

Dollars are not allocated for marine insurance under present FOA regulations unless the foreign governments so request. Mr. Griffith wrote that they have used this regulation for the purpose of building up their local insurance markets and preventing normal competition by the American insurers.

J. E. Spencer Addresses Pacific CPCU Chapter

LOS ANGELES—John E. Spencer, Lloyds department manager of Swett & Crawford, addressed the Pacific chapter of CPCU, giving data on the present economic situation in England.

Mr. Spencer, who just returned from a two month visit to England, described the Lloyds operation and discussed current problems involved placing business, direct and excess, in the London market. He said the chief problem was that there were too few individuals who are "leaders" and who actually handle the volume of business.

Standard Accident Names Burchell

Richard G. Burchell has been made assistant manager of the bond claim department at the home office of Standard Accident. He joined Standard Accident in 1932 as an attorney and adjuster in the bond claim department. He was assigned to the bond salvage department in 1936. Since 1945 he has served as senior representative of the bond claim department.

Manpower Clerical Help Praised by Insurance Firms

Insurance companies caught in the rush of disaster claims, policy renewals, record changeovers or periodic mailings have found the services of firms which supply temporary or emergency help particularly well-suited to their needs.

Manpower, Inc., one of the firms of this type, placed temporary help in insurance offices all along the east coast following hurricanes Carol and Hazel.

Fire Association, which received 5,000 claims the morning after hurricane Hazel struck, hired girls supplied by Manpower for temporary assignments in the claims department. When additional help was needed, both that company and U. S. F. & G. added a 6 to 10 p.m. shift.

Manpower did a similar job for insurers in Providence after hurricane Carol. Although Manpower itself was flooded out of its downtown offices, it continued to operate from the apartment of the local manager. The firm staffed the emergency offices of North America companies at Providence from 9 a.m. to 10 p.m. for seven days a week without anyone working more than 40 hours a week.

The firm, operating in its own office in Boston, typed 10,000 policies for a Boston insurance company late in 1954 on a flat per policy rate.

Often the temporary help works at night or over weekends, eliminating a necessity for overtime or additional office machines. U. S. F. & G. at Philadelphia utilized Manpower's services to change its filing system from numerical to alphabetical. The same type of job was repeated in Chicago and is now under way at the company's home office in Baltimore.

Manpower did a similar job for Aetna at Philadelphia and Chicago.

The firm has 50 offices in the United States and is now opening branches in Paris and London. It offers temporary help for a few hours or for longer periods. Many of the girls sent out to work on long-term assignments are hired by the companies which use their services.

Manpower assumes responsibility for employment, payroll, unemployment compensation and fringe benefits. It bills customers on an hourly or per unit basis as in the case of policy tying.

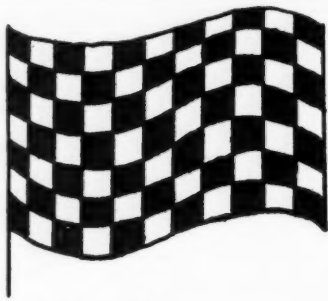
Manpower has won praise from many of the companies which use its clerical services. The personnel and training director of Fire Association praised Manpower's service as a "smoother method than any other he had found available when sudden expansion demands one or more temporary workers."

Reorganize Minn. WC Board

ST. PAUL—Effective July 1 the Minnesota compensation insurance board will be abolished and its functions taken over by the financial control commission made up of the insurance commissioner, the commissioner of banks and the commissioner of securities. Cyril Sheehan, insurance commissioner, is a former secretary of the compensation board.

Charles Moore, local agent at Bowling Green, Ky., has been named chairman of the insurance commissioner's advisory board to consider revision of applications for agents' licenses.

**IT'S
CHECKERED
FLAG TIME!**



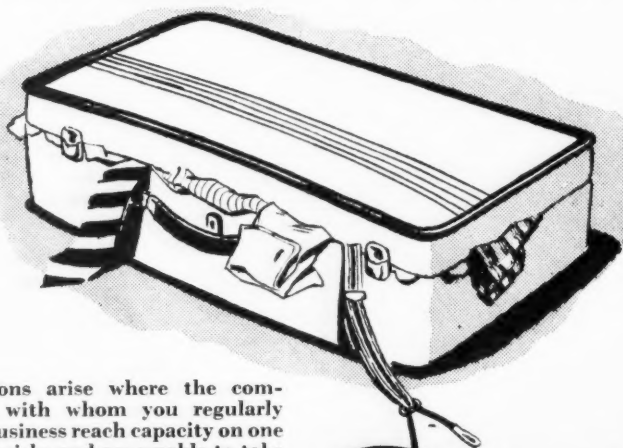
**AUTO
RACE LIABILITY
VERY ATTRACTIVE RATES
GRIFFITHS, TATE LTD.**

T. C. ANDERSON, VICE PRES.

309 W. JACKSON BLVD.
WA bash 2-7577

CHICAGO 6, ILL.
Teletype CG 2785

Capacity Limited?



Situations arise where the companies with whom you regularly place business reach capacity on one of your risks and are unable to take more. You are faced with the problem of finding additional capacity elsewhere.

There is no problem if you consult Illinois R. B. Jones. We specialize in providing insurance on risks which demand high capacity.

Try us the next time you face a capacity shortage and see how fast we can provide the solution.



REPRESENTING

Lloyds London

Illinois R. B. Jones Inc.

175 W. Jackson Blvd., Chicago 4, Ill. • WAbash 2-8544

C. Reid Cloon, President

1401 Peachtree St. N.E., Atlanta, Ga. • Emerson 2584

William E. Lersch, Vice-President

ASKS DISMISSAL

Bankers L.&C. Counsel Blasts FTC Ad Case in 90-Minute Session

Charles F. Short Jr., counsel for Bankers Life & Casualty in its embroilment with federal trade commission on charges of false and misleading advertising, aimed his 21-inch verbal guns at the FTC complaint and fired them for an hour and a half at a hearing in Chicago last week. He asked for a dismissal of the charges on the grounds that they are wholly unsubstantiated by evidence.

The FTC will have 45 days after receipt of the complete record to answer Mr. Short, and then, if he desires, Mr. Short may have 45 more days in which to file his own brief. Thus any decision on what will happen in this case will be delayed probably until fall.

Examiner Loren Laughlin presided at the hearing, which was attended by Raymond Hays, FTC counsel. There were only three spectators on hand.

After some preliminaries in order to get the last bit of FTC evidence into the record, Mr. Hays said FTC had completed its case and Mr. Short made his formal motion to dismiss and asked for oral argument. This was granted and he proceeded to attack the FTC case with extreme vigor. The only let-up came when the practice air raid siren blew for five minutes and there was a brief time-out.

Bankers is asking for a dismissal because the FTC has "wholly failed" to substantiate its case by any reliable arguments, Mr. Short said. He added he was not going into the jurisdictional aspects but was confining himself entirely to what was in the record.

The basic argument of the FTC is that certain items of advertising, "lifted out of context," were misleading, and the use of them with a failure to reveal limitations "has had and now has a tendency and a capacity to mislead and deceive." Further, a substantial part of the purchasing public has been misled and has been induced, because of such advertising, to buy policies under a mistaken belief. However, Mr. Short charged, there is not "one scintilla of evidence" that any one person has been induced to buy a Bankers policy by reason of mistaken belief caused by advertising.

FTC did not rest its case on the theory that the ads *per se* were wrong, but brought in witnesses in order to prove it, Mr. Short noted. Under the law this means the presumptions of false and misleading advertising will fail if they are not upheld by the evidence, he asserted.

Then Mr. Short proceeded to review the testimony of the FTC witnesses who appeared in Chicago at the original hearing several months ago. He brought out that they had been rounded up by an FTC field man and that some of them were friends of the field man and one of them was a neighbor and "drinking companion." Another was a product of "that famous kaffeeklatsch" at which the field man assembled a number of women and told them he wanted to "clean up the mess" and got their agreement that it would be a good thing to do.

"Not one of the witnesses hasn't

had his or her credibility destroyed, and not one would say he was misled when he bought the policy," Mr. Short declared. He added it was significant that the allegation is specific in saying that it is the "use" of the ads in question by Bankers that has caused a destruction of confidence among the public.

He mentioned exhibits of FTC signed by witnesses showing that they had read the provisions of the policy. Mr. Short brought out that this was not a rebuttal by Bankers but part of the original FTC evidence. Every wit-

ness brought in by FTC said that he would not buy a policy without signing a statement provided by Bankers to the effect that he understood the coverage and its limitations. Of all the witnesses produced, only one had not been at the "kaffeeklatsch" or was not an ex-policyholder of Bankers.

There is nothing in the record to show in any way that any person has been misled by advertising, he went on. There were only one or two policies out of two million during the time in question that were not signed by applicants to the effect that they understood

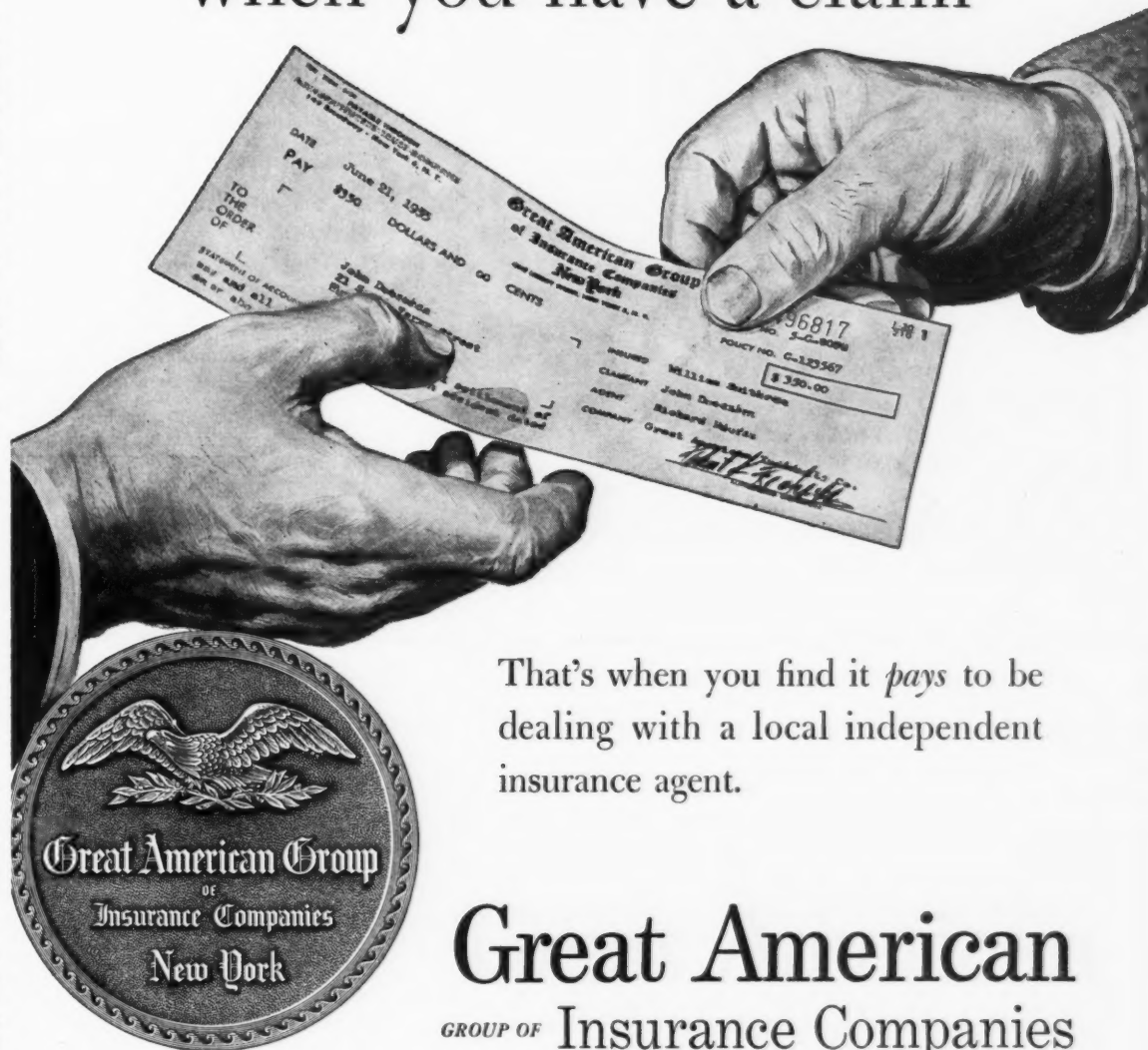
the coverage and its exceptions. There was no evidence produced that when this item was signed that the people didn't know what they were signing. Witnesses testified they would not sign such a statement unless they knew what it was. One of the witnesses admitted she was mad at Bankers because her husband had a group policy in the company but she was not covered under it.

Though all of the witnesses were ruined as to their credibility, they still did not say anything to aid the FTC

(CONTINUED ON PAGE 33)

An advertisement similar to this, part of a series featuring the local independent agent and broker, appears in the June 25 issue of The Saturday Evening POST.

The real test of your insurance protection comes when you have a claim



That's when you find it *pays* to be dealing with a local independent insurance agent.

Great American Insurance Companies

GROUP OF

FIRE • MARINE • CASUALTY • SURETY

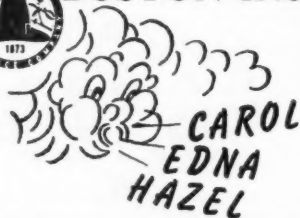
Get more for your money—
and sound protection—
through an over-all insurance
program. See your local
agent or broker.

Great American • Great American Indemnity • American National Fire • Detroit Fire & Marine • Massachusetts Fire & Marine • Rochester American
17,000 LOCAL AGENTS • WORLD-WIDE FACILITIES • STANDARD STOCK COMPANY PROTECTION



BOSTON INSURANCE COMPANY

EIGHTY SEVEN KILBY STREET • BOSTON • MASSACHUSETTS



Three Ladies From Hades!

Their howling winds and pounding seas completely destroyed or irreparably damaged pleasure boats from the Carolinas to the Canadian midwest. Many owners have learned from sad experience that adequate Marine Insurance is a very necessary protection for their investment and pleasure.

The experience of the last few years shows that no territory is immune and that every boat owner should be fully insured. You can't do better than place these policies with either the Boston or Old Colony Insurance Company.



OLD COLONY INSURANCE COMPANY

EIGHTY SEVEN KILBY STREET • BOSTON • MASSACHUSETTS

Gilmore Reviews Problems Current in Legislative Field

Problems facing the casualty business, including the threat of compulsory, plaintiffs attorneys' bills, speciality company competition and "all kinds of crackpot proposals making it as easy as possible to exact large sums of money from insurers" were discussed by Robert N. Gilmore Jr., assistant counsel of Assn. of Casualty & Surety Companies, at the annual meeting of New England Assns. of Insurance Agents at Poland Springs, Me.

Pointing out that "most of our problems are bound up with laws in one way or another, Mr. Gilmore said that from Jan. 1 to the end of May the association examined an estimated 30,000 bills of which 9,200 were pertinent to the casualty and surety business. "And the end is not yet in sight."

Compulsory bills were introduced in a number of states this year, including Idaho and New Jersey, where they are being vigorously pushed. Although no major effort was made again to bring up the compulsory subject in New York, there is always the possibility that the effort will be renewed with full force the coming year.

Mr. Gilmore said that unsatisfied judgment fund legislation has also been introduced in some states but the business is generally opposed to any version of such legislation. It believes that it can be the opening wedge for the state to get into the automobile liability business.

The one-time view that UJF was better for insurers than compulsory is on the wane. Some see in such laws a greater danger than in a compulsory law and it has been abandoned as a substitute for compulsory, he declared.

Mr. Gilmore said that, at the risk of oversimplification, this much can be said about the whole problem of the uninsured motorist: (1) Probably all substitutes will result in some additional charge for insured motorists, (2) none can expect to meet with the unqualified approval of all agents and insurers, and (3) the longer a person wrestles with the problems of the uninsured motorist the more a person be-

comes convinced that the answer really lies in the simple fundamentals which are accident prevention and vigorous enforcement of traffic and financial responsibility laws.

A striking current legislative development has been the great variety of bills which have come to be identified with organized groups of plaintiffs' attorneys. These include bills that would substitute comparative negligence for the rule of contributory negligence, permit joining an insurer as party defendant, repeal guest statutes, and bills that would set up legislatively the payment of certain attorneys' fees, including payment by an unsuccessful insurer defendant of the plaintiff's attorney's fee.

Such bills have been introduced in legislatures for years, but except in rare cases have not been given serious consideration. However, this year they presented a very real threat and many of them were reported favorably in the early days of the sessions. In Alabama, this program is currently on a touch-and-go basis.

Mr. Gilmore said many plaintiffs' attorneys are much too far sighted to buy this program. They realize that some forms of comparative negligence espoused by their fellow attorneys fall just short of a compensation system regardless of fault, and they know what a compensation system would do to them. They also know that if costs continue to mount, and that is what these proposals will inevitably lead to, private insurance may be replaced by some bureaucratic system with everyone the loser.

In discussing competition, Mr. Gilmore said there is nothing like intensive merchandising of a top grade product as an answer to any kind of competition, and local agents sell top grade coverage and service.

MacGibeny-Grupe Names Novak Vice-President

Miles J. Novak on July 1 will join MacGibeny-Grupe agency in Chicago and will be engaged in production and underwriting of Lloyds business and reinsurance, both treaty and facultative. Mr. Novak has been vice-president of the Leslie H. Cook agency of Chicago.

He started in insurance in 1936 with Stewart, Keator, Kessberger & Lederer, soon becoming an underwriter. He went with Standard in 1941 and became manager of the Cook county department.

In 1943 Mr. Novak started underwriting Lloyds business with All Risks, predecessor organization to Newhouse & Hawley. He went with Osborn & Lange in 1946 to supervise a new Lloyds department, going with the Cook agency two years later.



Miles J. Novak

More Contemplate Leaving Miami Area

Word is that additional insurers are contemplating withdrawal from Dade and Broward counties (the Miami area) for automobile and other third party liability underwriting because of poor experience. Verdicts have been high and frequent.

The facetious suggestion of one company man is taken as an indication of the problem: Policy conditions should be changed to make them effective word-wide except in the Miami area.

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A&H Agents Table Request to FTC to Study Blue Cross Ads

Proposal of a resolution regarding Federal Trade Commission investigation of Blue Cross advertising, submitted at the San Antonio convention of the International Assn. of A. & H. Underwriters, drew lively discussion pro and con, which, with the raising points of order that became involved, was gradually approaching an eruption of verbal fireworks, when the entire matter was tabled by a motion from the floor.

The proposal, submitted by the New Mexico association, was presented to the council meeting in the regular order of business by Clifford E. McDonald of International Fidelity as chairman of the resolutions committee. The proposal was to the effect that the FTC be requested to investigate advertisements of Blue Cross as to whether or not the advertised claims are justified under the Blue Cross contracts. Blue Shield was not mentioned.

Approval and opposition were voiced prior to action on the proposal. It was then moved that the resolution be amended to the effect that such investigation be made if or when jurisdiction of the FTC is established.

Motion on the amendment was immediately seconded and then points of order arose as a result of some of the ensuing discussion which did not deal specifically with the amendment itself. After some more discussion was heard, a motion was made from the floor that the matter be tabled. It was seconded and then approved by a strong but not unanimous vote.

About a dozen persons were heard in the discussion, some more than once. Some said the resolution was not good ethical procedure. Others suggested the matter should first be carefully studied or that a special committee be appointed to consider it. When the question was raised as to whether or not Blue Cross is interstate commerce, it was answered that the operation is handled by a national commission that advertises interstate, and that some plans are interstate. "Don't let your emotions lead your heads," was one warning. One suggestion was that the matter might be one which should be referred to state insurance departments instead of to FTC. It was brought out that some state associations have been planning to take up the problem on the state level.

Tom Callahan, Time of Milwaukee, chairman of the board, opened the first council meeting of business. He presented an orchid to Mrs. Leonard A. McKinnon for her patience while President McKinnon was traveling during his term of office. At the start of the meeting, Mrs. McKinnon recited a tribute to the flag, which she wrote.

Managing Director William G. Coursey reported success in establishing closer relations between local, state, and national organizations.

Agitation and confusion about the federal trade commission, reinsurance and such matters which produce a growing awareness on the part of the public, he said, can be explained as growing pains which are natural.

The second day's sessions were preceded by a memorial service arranged by Sig Bjornson, State Auto, Moorhead, Minn., in memory of 24 members

who died in the past year.

Growing use of the "choose the plan" directory brochures, supplemented in some cities by local newspaper advertising, was reported by John T. Delaney, American General Life, Belaire, Texas. Gibson Wright, Continental Casualty, Eau Claire, Wis., suggested that the problem of continued distribution can be solved by a voluntary distributing committee, and O. K. Johnson, Business Mens of Omaha, said it can be solved also by providing space in the brochures in which each agent can feature his own name.

Robert W. Osler, Rough Notes Company, chairman of publicity, reported that 2,184 releases had been issued in the form of 78 pieces of news which went to each of 28 trade publications. He suggested the association get a professional publicity man mainly because publicity is one of the best member-getting devices.

Members at the convention who received awards this year as members of the Leading Producers Round Table were introduced by T. Kenneth Mersereau, Monarch Life, Baltimore, chairman of the Leading Producers Round

Table.

He asked for more company participation and for more activity in local associations.

"The salesman whose pants wear out before his shoes is wearing out too much in the wrong place," said Micou Browne, vice-president in charge of agencies, Occidental of Raleigh, in his address in which he considered "The Cream in Our Cereal" and its relation to success.

He discussed eight success ingredients: Proficiency, reciprocity, energy, (CONTINUED ON PAGE 31)

This is America Fore's current national advertisement. It is one of a public relations series designed to inform the public about capital stock insurance and the importance of the services of the agent and broker.

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• THE SATURDAY EVENING POST • LIFE • FORTUNE
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When an accident happens and you are far from home, your greatest need is the help of someone who knows what to do and how to do it.

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Illinois Field Group Choose Macleod, Mooney

GENOA CITY, WIS.—Illinois Fire Underwriters Assn., meeting at Nippersink Manor Resort jointly with Illinois Blue Goose and Illinois Fire Prevention Assn., adopted a constitutional amendment designed to strengthen the organization from the standpoint of public relations activity.

Frank L. Macleod, American, who was elected IFUA president succeeding Edgar Taylor of Loyalty group, explained the amendment would add to the slate of elective officers a 2nd vice-president whose responsibilities would be principally of a public relations nature, assisting the association vice-president who automatically is chairman of the public relations committee. In recent years the over-all

public relations program has been expanded to the point where further broadening was contingent upon adding an officer who would specifically assigned responsibility for the program.

G. R. Nordgren, Automobile, was named 1st vice-president and James D. Streich, St. Paul F. & M., 2nd vice-president. Mrs. Edith M. Riess continues as secretary. New executive committeemen are W. G. Anderson, America Fore; Eugene Wild, Millers National; James Hamilton, Boston, and Jack Irish, Excelsior.

At the Blue Goose meeting, Vincent Mooney, London Assurance, was advanced to most loyal gander succeeding David C. Girardot, Western Adjustment. Other officers are William H. Miller, Security of Connecticut, supervisor; John R. Mitchell, formerly with North British and now an agent at Chicago, custodian; Kent L. Macy, New York Underwriters, guardian;

W. Hale Baldwin, New York Underwriters, keeper, and John C. Burrige, National Underwriter Co., wielder. Mr. Mooney and J. J. Rusco, Aetna Fire,



Vincent Mooney, London Assurance, being congratulated on his election as most loyal gander of Illinois Blue Goose by his predecessor, David C. Girardot, Western Adjustment.

were named as delegates to the Grand Nest meeting to be held at Kansas City in August.

The pond voted unanimously to instruct its delegates to support at Kansas City the grand keeper candidacy of Eugene C. Saulcy, who travels Michigan for Great American with headquarters at Grand Rapids. It was pointed out that Mr. Saulcy represents a pond that has the capabilities of conducting a convention of the size and importance of the Grand Nest, and the addition of a field man would help balance the roster of Grand Nest officers inasmuch as only one company man now holds office.

Mr. Taylor in his president's report made a strong plea for greater individual participation in IFUA activities. The organization's program, designed to benefit every field man in Illinois, as well as the business as a whole, needs the complete support of companies and individuals. He viewed participation in IFUA work as a responsibility, adding that it is not enough for either an individual or a company to contribute only financial support. Field men should work on IFUA committees and attend its meetings, and the companies should see that this is made possible.

Mr. Taylor said participation in the credit reporting system now exceeds 90%, evidence the plan now is operating on a successful basis.

The reports of committee chairmen gave support to Mr. Taylor's comment that IFUA activity in the past year reached new heights in many areas. Mentioning that IFUA members

last year appeared before more than 11,000 persons with public relation messages, Mr. Nordgren stressed that the group's speakers bureau and film library are now organized to the point where they can do an extremely effective job. He said the field men's group now has 100% cooperation from Illinois Assn. of Insurance Agents, something that is invaluable in putting across the over-all public relations program.

Harold Cannon, Home, president of the fire prevention association presided over that session, which included a report by Secretary Ross Harmon retired field man for Home. Mr. Can-



Illinois Fire Underwriters Assn. officers, pictured at the annual meeting: Seated, from left, Edgar Taylor, Loyalty group, retiring president, and his successor, Frank Mcleod, American; standing, from left, James D. Streich, St. Paul F. & M., 2nd vice-president, and G. R. Nordgren, Automobile, 1st vice-president.

non mentioned there have been five town inspections so far in 1955.

There was a full agenda of recreation, highlighted by the golf tournament. George C. Steacy, American, copped the low gross golf prize, and Kenneth M. Vick, Loyalty group, was the low net winner.

W. Hale Baldwin, northern Illinois state agent for New York Underwriters, elicited the understatement of the week during the convention of Illinois Fire Underwriters Assn. at Nippersink Manor Resort in Wisconsin. Dressed in his agency-calling clothes, a full schedule of which he had that afternoon, Mr. Baldwin decided to while away the 10 available minutes before the closing luncheon with a short canoe trip. Canoes are less stable these days, Mr. Baldwin was convinced as, during disembarkation, he would up in the lake instead of on the pier. The life guard, immediately to the rescue, sympathized with the comment, "They sure tip over easy, don't they". Addendum: Mr. Baldwin reached shore under his own power, only his dignity injured.

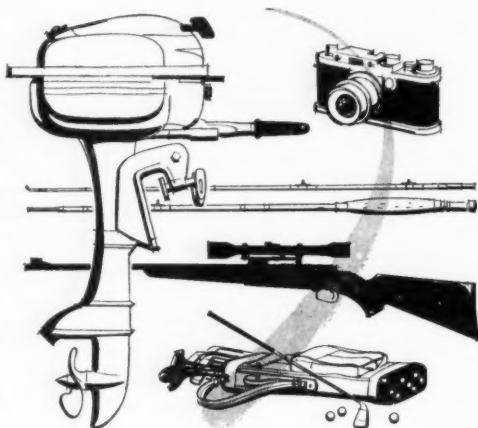
State Farm's New Plan in S. C.

State Farm Mutual Auto has put its new automobile liability and physical damage rating plans in South Carolina, and estimates the effect will be an over-all reduction in premiums of \$95,000 a year.

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139 UNIVERSITY PLACE

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NAIW Elect DeCesari; Plan to Establish National Office

National Assn. of Insurance Women at its convention in San Francisco adopted constitutional changes which authorize its officers to establish a national headquarters office and hire an executive secretary.

Miss Elizabeth DeCesari of Woodbury, Conn., was elected president to succeed Miss Kay Lavin of St. Louis. Other new officers are: Miss Betty Hirst of Columbia, S. C., 1st vice-president; Mrs. Frances Runk of Houston, 2nd vice-president; Mrs. Mary Brown of Griffith, Ind., recording secretary; Miss Doris Platt of Woodbury, N. J., corresponding secretary, and Miss Marion Walker of San Francisco, treasurer.

New regional directors are: Miss Ada McGregor of New York, Miss Nellie Casey of Washington, Miss Myrle Woods of Atlanta, Miss Claire McKnight of Detroit, Miss Betty Bagger of Des Moines, Miss Peggy Phillips of Dallas, Miss Roberta Moore of Hutchinson, Kan., and Miss Ruth Wade of Phoenix.

Delegates were welcomed to the city by Mayor Robinson, George Christopher, president of the board of supervisors, and California commissioner McConnell.

Highlight of the four-day session was a series of workshop discussions on publications and publication advertising, membership and organization, welfare and publicity, public relations and public safety, and employment and publicity.

The 1956 convention will be held at the Conrad Hilton in Chicago in June, with Mrs. Lucille Blakesley of Insurance Distaff Executives Assn. of Chicago as chairman. The 1957 convention will be held at Philadelphia.

Final Settlement Plan to be Offered Soon in 1952 Minn. Shortage Cas

ST. PAUL—A settlement has about been reached with insurers under which the state of Minnesota will recover slightly more than 50% of the \$71,500 shortage in the department of employment security which was discovered in December, 1952. A woman cashier in the department was acquitted of grand larceny after a lengthy trial.

A final settlement plan will be presented soon to the state executive council which will wind up the state's attempts to recover all the missing money. The state negotiated with several companies which bonded the cashier and settlements were made without admission that the companies were liable for the amounts claimed or that the cashier was responsible for them.

Anchor Casualty paid the full amount of the state's claim, \$15,800, for money reported missing between Aug. 26, 1949 and Aug. 26, 1951. Lumberman's Mutual Casualty paid the full state claim of \$5,531 for the period from Aug. 26, 1951, to Dec. 19, 1952.

An offer of the Ohio Casualty to pay \$16,189 as the full state claim from Aug. 26, 1947, to Aug. 26, 1949, was at first rejected by the state but later accepted.

Another claim of approximately \$26,000 against Ohio Casualty has been outlawed by the statute of limitations. Still being negotiated is a claim for \$5,716 against the Western Casualty.

The state also is preparing a civil action to recover on bonds for another shortage of approximately \$67,500 in Ramsey county (St. Paul) game fish license fees. The accused official in this case also was acquitted. The state is expected to seek to recover on the personal bond of the county auditor, \$20,000, and on a \$50,000 bond the county maintains on employees in the auditor's office.

Insurance Women of Madison (Wis.) will meet June 28 to hear reports on the National association convention. Miss Maida Dunn, Hardware Mutuals, and Mrs. Josie Gorman, Cottage Grove Mutual, are the delegates.

Bureau Cuts Rates, Allstate Withdraws Wash. Fire Filing Suit

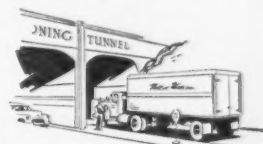
The suit filed April 26 in Thurston county, superior court seeking reversal of Commissioner Sullivan's rejection of Allstate's fire filings on dwelling properties was withdrawn by the insurer June 9.

Allstate had sought approval of rates approximately 20% below bureau at the

time of filing. Since the suit was brought the bureau has filed reductions in the rates for dwellings and contents. It is believed that Allstate will now file new rates with the insurance department to maintain the 20% differential between Allstate and bureau rates.

Queen City Participating in Wash.

Queen City of Sioux Falls has filed a participating fire policy in Washington, becoming the 11th stock company to go on a participating basis in that state. Gould & Gould are general agents for Queen City in Washington.



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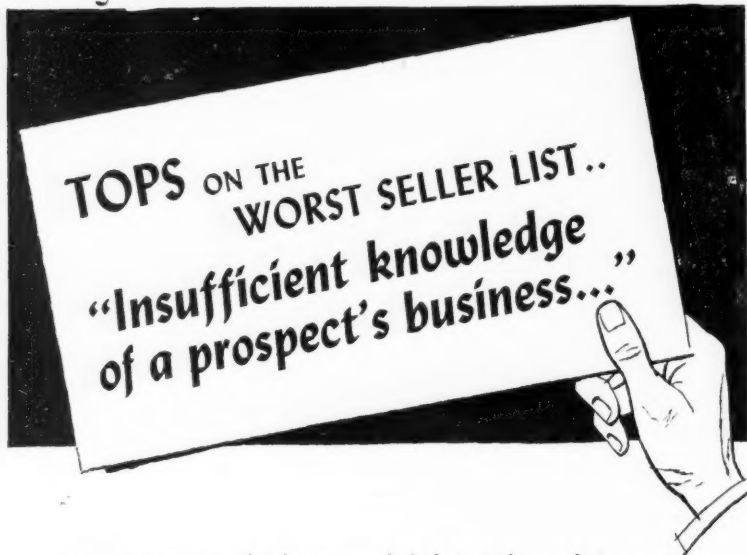
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Convention Dates

June 26-28, Insurance Advertising Conference, Claridge hotel, Atlantic City, N. J.

June 26-29, National Assn. of Public Insurance Adjusters, Concord hotel, Kalmesha Lake, N. Y.

July 7-9, International Assn. of Insurance Counsel, annual, Hotel del Coronado, Coronado, Cal.

Aug. 7-11, Honorable Order of Blue Goose, Grand Nest, Muehlbach hotel, Kansas City.

Aug. 14-17, West Virginia Assn. of Insurance Agents, annual, Greenbrier hotel, White Sulphur Springs.

Aug. 17-20, Federation of Insurance Counsel, annual, Sheraton Park hotel, Washington, D. C.

Aug. 21, American Bar Assn. insurance law section, annual, Philadelphia.

Aug. 22-23, South Dakota Assn. of Insurance Agents, annual, Rapid City.

Sept. 5-7, International Federation of Commercial Travelers Insurance Organizations, annual, Sun Valley Lodge, Sun Valley, Ida.

Sept. 11-13, Pennsylvania Assn. of Insurance Agents, annual, William Penn hotel, Pittsburgh.

Sept. 11-14, Idaho Assn. of Insurance Agents, annual, Sun Valley Lodge, Sun Valley.

Sept. 12, Vermont Assn. of Insurance Agents, annual, Lake Morey Inn, Fairlee.

Sept. 12-13, Utah Assn. of Insurance Agents, annual, Ben Lomond hotel, Ogden.

Sept. 12-14, International Claim Assn., annual, Lake Placid Club, Lake Placid, New York.

Sept. 14-16, Illinois Assn. of Mutual Insurance Companies, annual, Pere Marquette hotel, Peoria.

Sept. 14-16, Maine Assn. of Insurance Agents, annual, The Samoset, Rockland.

Sept. 14-16, Michigan Assn. of Insurance Agents, annual, Pantlind hotel, Grand Rapids.

Sept. 15-16, New Jersey Assn. of Insurance Agents, annual, Chalfonte-Haddon Hall, Atlantic City.

Sept. 15-16, Minnesota Assn. of Insurance Agents, annual, Hotel Kahler, Rochester, Minn.

Sept. 15-17, Louisiana Assn. of Mutual Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.

Sept. 15-17, Montana Assn. of Insurance Agents, annual, Northern hotel, Billings.

Sept. 18-20, Washington Assn. of Insurance Agents, annual, Leopold and Bellingham hotels, Bellingham.

Sept. 19-20, Minnesota Assn. of Mutual Insurance Agents, annual, Leamington hotel, Minneapolis.

Sept. 19-21, New Hampshire Assn. of Insurance Agents, annual, Wentworth-by-the-Sea hotel, Portsmouth.

Sept. 20-21, South Carolina Assn. of Insurance Agents, annual, Columbia hotel, Columbia.

Sept. 20-23, Mutual Loss Managers Conference, Chicago.

Sept. 22-23, Oregon Assn. of Insurance Agents, annual, Multnomah hotel, Portland.

Sept. 25-27, Kentucky Assn. of Mutual Insurance Agents, annual, Kentucky hotel, Louisville.

Sept. 26-27, Mutual Agents of New England, Hotel Somerset, Boston.

Sept. 26-28, Bureau of Accident & Health Underwriters, annual, Mount Washington hotel, Bretton Woods, N. H.

Sept. 28-30, Society of Chartered Property & Casualty Underwriters, annual, Fairmont hotel, San Francisco.

Sept. 29-Oct. 1, Nevada Assn. of Insurance Agents, annual, Sahara hotel, Las Vegas.

Oct. 2-5, National Assn. of Casualty & Surety Agents, annual, The Greenbrier, White Sulphur Springs, W. Va.

Oct. 3-5, National Assn. of Insurance Agents, annual, Statler and Biltmore hotels, Los Angeles.

Oct. 3-6, California Assn. of Insurance Agents, annual, Biltmore and Statler hotels, Los Angeles.

Oct. 9-12, Conference of Mutual Casualty Companies, Jefferson hotel, St. Louis.

Oct. 9-13, National Assn. of Mutual Insurance Companies, annual, Jefferson hotel, St. Louis.

Oct. 10-12, Federation of Mutual Fire Insurance Companies, Jefferson hotel, St. Louis.

Oct. 16-18, Maryland Assn. of Insurance Agents, annual, Fort Cumberland hotel, Cumberland.

Oct. 17, Rhode Island Assn. of Insurance Agents, annual, Sheraton-Baltimore hotel, Providence.

Oct. 17-19, National Assn. of Mutual Insurance Agents, annual, Netherland Plaza hotel, Cincinnati.

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Fire and Casualty Insurance

COMMENTS - TRENDS - OBSERVATIONS

Morrison Offers Suggestions to Follow in Meeting Atomic Age Insurance Problems

Robert M. Morrison of Morrison, Mahoney & Pearlman, Boston law firm, in talks on insurance problems of the atomic age has come up with a number of suggestions for insurers to consider to off-set the possibility of catastrophic losses caused by peacetime use of atomic energy.

His detailed suggestions follow.

Insurance-wise interest lies in the answers to two specific questions concerning the dangers of peacetime use of atomic energy: what are the chances of such losses occurring and how large could a single loss be?

The answers are already beginning to shape up in a general way:

(1) A runaway chain reaction in a reactor, resulting in an atomic explosion is a very remote possibility but one of great potential damage. Depending on location, the loss could run into tens and even hundreds of millions of dollars.

(2) The spread over a wide area of radioactive materials due to an accident in a reactor is a much greater possibility; resulting damage would depend in large part on the location of the reactor. For example, an accident at Chalk River, Ontario, resulted in relatively little damage outside of the plant itself due to its remote location. The proposed plant of the Yankee Atomic Electric Co., at Monroe Bridge, Mass., is located in a remote area of less than 25 persons per square mile within a radius of 10 miles. Given a situation where the area subject to contamination is even moderately populated, the loss potential to life, health and property could reach into catastrophe figures.

Mr. Morrison feels the chance of damage from accidents during the transportation of irradiated plugs and of hot wastes is greater, but in the absence of some unusual accident, such as one which would contaminate a water supply system, the size of the loss potential drops to limits with which insurance men are accustomed to deal.

The greatest possibility of loss flows from the ever-increasing use of radioactive isotopes, in more or less concentrated form, in hospitals, laboratories and industrial plants, which is a loss potential within normal insurance limits.

The loss potential is, however, but one side of the insurance coin. The other side is the fund potential—the possibility of accumulating a fund out of which to pay the losses as well as administration expenses and a profit on invested risk capital.

He thinks the stage of development that has been reached thus far in the

atomic age program is insufficient to provide an adequate fund potential. Lacking are adequate experience data for normal rate making, a market over which to obtain an adequate spread of risk to reduce the cost of such insurance to a point where industry can afford it (the Yankee Atomic Electric Company has set a tentative budget of \$750,000 for premiums over a five-year period), and finally, sufficient capital from private sources and accumulated surplus on which to assume the size of risk which industry feels it must have.

To meet the needs of industry and of society as a whole in this atomic age, there must be devised ways to narrow the gap between the loss potential on the one hand and the fund potential on the other. This requires the concerted thinking of both the buyers and suppliers of insurance. A great deal of work is currently going on in this area.

An easy solution is to say, "let the government supply the insurance just as it did for war risks." But Mr. Morrison believes that a government monopoly of insurance in this field is just as undesirable as a government monopoly in the production of atomic energy and radioactive isotopes. By the atomic energy act of 1954, the first faltering steps were taken to give private industry a place in nuclear energy development. There will always remain some government participation and control in that area, but it is hoped gradually to reduce this to a minimum.

Ten specific measures which Mr. Morrison feels may bring insurers closer to the solution of insurance problems of the atomic age are:

1. The establishment of safety codes in far more detail than has been the case up to now. As private enterprise takes on a larger share in the entire atomic energy program, the supervisory control of the AEC is bound to get thinned out. State and municipal authorities and the safety committees of insurers must step in to take up the slack. Both the promulgation of the codes and strong provisions for their enforcement are necessary if losses are to be kept at a minimum. This is particularly the situation in the case of radioactive isotopes which have never been subject to the same control as nuclear reactors.

The codes would include: building codes governing the type of construction, ventilation, shielding protection and storage facilities in buildings in which radioactive materials are used, etc.; police regulations as to marking

of and access to buildings, the barring of areas that are radioactive, control of traffic in the event of evacuation or of the movement of hot material, etc.; fire regulations as to the posting of signs to protect firemen in buildings housing radioactive materials; the types of fire-fighting equipment to be installed; the providing of firemen with protective clothing, etc.

Also, public alarm signals, similar to those used to call firemen, to warn the public away from contaminated areas; transportation codes regulating the packaging and shipping of radioactive materials; health regulations for the wearing of badges and other protective devices; the regular medical examination of persons exposed to radiation; the installation of monitoring systems; the control of such activities as eating, drinking and smoking in areas where dust may be radioactive, and the wearing of gas masks in such areas. Special decontamination squads could be organized to deal with hot conditions. The civilian defense organization or one similar to it could be developed and trained to assist the police in evacuation in the event of a catastrophe.

2. The establishment of a training program for insurance personnel which would combine scientific training with instruction in insurance practices. Such training is necessary to protect them from undue exposure to radiation as they go about their duties. They could serve as underwriters, inspectors, loss adjusters and in other branches of the insurance business. Because they would have learned to deal with the dangers of radioactivity, they would bridge the gap and help to dispel some of the fear that today inevitably, though unconsciously, inhibits an enthusiastic response on the part of the insurance companies to industry's challenge for adequate insurance protection.

3. The insurance business should place a self-imposed assessment on the net premium volume of all insurers, the proceeds to be invested as capital in a central reinsurance fund. These contributions will build up the fund needed for catastrophe protection. This will serve as a method of distributing the risk over the entire nation. It will help preserve the private character of most of today's insurance program. Although there are substantial differences, this plan has much in common with parts of the federal deposit insurance corporation set-up. Over the past 23 years, that corporation has built up a surplus of \$1½ billion from the assessments on the member banks and from investment return.

4. Congress should pass a law authorizing the central reinsurance fund, which the insurance companies establish, to borrow up to \$5 billion, if needed, to meet losses. This would

serve to spread the risk even further across the entire economy. This follows further along the path carved out by the FDIC, which has authority to borrow those billion dollars. The latter is recognized as government-controlled and somewhere along the line new concepts of the relationship between the federal government and the insurance industry will have to be worked out to preserve private initiative.

5. A central clearing house should be set up to develop experience data. Federal authorities, particularly the AEC, must be prepared to make every possible concession, in their program for maintaining national security, to pass along the results of their experience to the insurance business. In the long run, experience is the only sound basis for insurance underwriting.

6. In the meantime, the insurance business must be prepared to establish judgement rates to use as a temporary basis for current insurance protection. These rates should hold the promise of a fair return for the risk assumed, but, in order not to make the cost of insurance prohibitive, they should not be loaded with a catastrophe factor

(CONTINUED ON PAGE 27)

Tit for Tat in Cabled Chat

Stewart, Smith & Co. was requested by one of its correspondents on the Pacific Coast to place with London underwriters U&O insurance for a well-known hotel in Las Vegas.

London replied it was having difficulty because of the underwriters objection to giving protection to a concern engaged in gambling.

New York protested strongly, stating that owing to the known aptitude of the London market for writing speculative insurances, and that so long as it knew insured was conforming to the laws of its state, the protests seemed slightly tainted by hypocrisy.

This brought the cabled reply: "Your cable received and we will put your views before underwriters tomorrow stop regret cannot see them today as they are all at the derby".

American Gives Driving Awards

J. Paul Rutter, vice-president and secretary of American of Newark, presented prizes, donated by the company, to three first place winners of the teenage road-race held at Seton Hall university sponsored by the Junior chambers of commerce of the Oranges and Maplewood, N. J. Phillip Berkebile of Elizabeth was presented a watch, Frank Baier of Short Hills a \$50 savings bond and James Reynolds of Bloomfield a \$25 bond.

Thomas W. Miller, who has been an adjuster with Crawford & Co. in Savannah the past two years, has opened a local agency there to be known as Oglethorpe Insurance agency with offices at 405 Liberty Bank building.

For protection on the highway
at work and at home



TRI-STATE INSURANCE COMPANY
Multiple Line
INC. IN OKLA. 1933

Experienced Underwriting
Prompt Claims Handling
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Home Office: Tulsa, Oklahoma

Insurance Agents and Brokers:

NO MATTER HOW YOU LOOK AT IT

A GOOD NAME TO REMEMBER

WHEN YOU HAVE A DIFFICULT OR UNUSUAL
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Correspondents of Underwriters at Lloyd's, London.



Lumbermen's Agents Discuss Many Problems

Lumbermen's Mutual held its 11th annual agents advisory council session at the home office in Mansfield, O., last week. The happy coincidence of the program theme "Tomorrow" and the long-awaited passage of multiple line legislation in Ohio gave the visiting agents and the company executives and field men plenty of opportunity for discussion on a practical level and no one muffed the chance. No official announcements were made about the company's multiple line plans, but it was obvious that everyone was happy about the legislative developments and that Lumbermen's will not fail to take advantage of them.



C. E. Nail

The traditional two sessions were divided between company and agency viewpoints. On Thursday morning, President C. E. Nail and Vice-president S. F. Coffin reviewed company problems and forecast the future in the light of them. At the same session, P. L. Baldwin, Washington, secretary National Assn. of Mutual Insurance Agents, discussed plans for increased company-agent cooperation in the agency mutual field. The Friday morning session stressed the agents' viewpoint, with B. S. Stake, St. Louis, doing an excellent job getting almost complete and frequently unrestrained audience participation.

Mr. Nail stressed the need of careful underwriting in the future, pointing out that the gap between the combined loss and expense ratios of mutual companies and that of stock companies has been consistently narrowing for a number of years. Multiple line underwriting is making it more difficult to analyze figures and recent windstorm catastrophes have thrown individual insurers out of line, but the trend is unmistakable. Emphasizing the role of the mutual agent in underwriting, Mr. Nail said that it is a triple job—that of field man, agent and home office underwriter—and it must be done with unstinted cooperation. It is just about inconceivable Mr. Nail said, that commissions will get any higher and the big problem is to maintain underwriting results which will keep dividends from going down.

Mr. Coffin said that the future will probably see fewer companies and fewer agents. He also forecast a simplification of procedures, though he refused to make specific predictions, and said that the future will probably see simplified all risk policies, on a completely deductible basis. Emphasizing the need for reducing detail and clerical expense, he said he personally would like to see realistic policy minimums, such as \$5,000 on dwellings and \$2,500 on contents and with no dividends payable on policies with premiums of less than \$15.

The agents, with Mr. Stake as moderator, got their teeth into a variety of subjects Friday morning and agreed on very few. Among the matters discussed the public relations problems of the agent, continuous policies and direct billing, services which should be expected of a special agent, importance of dividends and cost advantages in selling insurance and what an agent

should be expected to do to earn his commission. J. C. O'Connor, Cincinnati, executive editor Fire, Casualty & Surety Bulletins of the National Underwriter Co., closed the meeting with a summary of the ideas expressed.

Social events included a get-together at Mr. and Mrs. Nail's home, golf, a dinner Thursday at which Dean Charles Noble of Syracuse University spoke on "You Don't Have to Go Crazy," outdoor breakfast Friday and a farewell luncheon at Westbrook Country Club. Russell Davis, vice-president and D. W. Evans, assistant secretary, were in charge of the program.

Automobile Names White Successor to Loftus on Coast

Joseph W. Loftus is retiring as manager of the Pacific fire division of Automobile and Standard Fire July 1. Walter P. White Jr., will succeed him.

Mr. Loftus has served since 1942 as manager of the fire division, which has headquarters at San Francisco and covers California, Arizona and Nevada. He joined the companies in 1928 as special agent and four years later was promoted to superintendent.

Mr. White joined the companies' Pacific fire division in 1937 and the following year was named special agent at Los Angeles, being advanced to assistant manager a year ago.

Four Resident V-Ps Are Elected by State Farm

Mark I. Ashley, Vincent D. Fehringer, Merrill Grafton and Keith Jump have been elected vice-presidents of State Farm Mutual Automobile.

Each of the new resident vice-presidents has been resident manager of a State Farm regional office. Mark I. Ashley heads the Canadian office at Toronto; Vincent D. Fehringer the southern branch at Jacksonville, Fla., and Keith Jump the west central at Lincoln.

Mr. Ashley took charge of the Toronto office in 1953. He joined State Farm as a field claim adjuster in 1934 and subsequently was with the west central office in Lincoln. Mr. Fehringer opened State Farm's first St. Louis claims office in 1939. He became a divisional manager in 1947, and has headed the southern office since it opened in 1954. Mr. Grafton, who started with State Farm as an adjuster in Montana, advanced to general superintendent of claims before transferring to divisional management. He became manager of the southeastern division early in 1953, and manager of the southeastern office when it opened in Jacksonville in 1954. Mr. Jump's State Farm career began in 1931. He was manager of the downstate Illinois division of the company before assuming his post at Lincoln in 1954.

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COMPANY IN THE WORLD



55 FIFTH AVE., NEW YORK

Deering Pinpoints Unnecessary Expense Features of Agency System of Selling

Some "by-products" of the agency system of marketing which have an adverse influence on costs were taken up by J. R. Deering, president of Guarantee of Los Angeles, in his talk before American Assn. of Managing General Agents at San Francisco this week.

Some of the costs incurred in this marketing procedure influenced the price of insurance to a greater extent than the companies can easily justify when the policyholders are asked to carry their share in the rates, he said. "These are some practices that have become established over a period of time through the fault of both companies and agents," and they are expensive because they cannot be shown to be legitimate or necessary. They add nothing to the services rendered to policyholders, Mr. Deering remarked. They are evils which sooner or later must be eliminated from the marketing methods.

He mentioned among these extension of credit to agents for 60 or 90 days, as the result of which the agent rarely collects a premium in advance. "He doesn't even secure a deposit of part of the premium as an advance in most cases."

Direct writers, Mr. Deering noted, secure the entire premium at the time the application is taken or the policy delivered, or enough deposit is received to cover the cost of earned premium and cancellation expenses. The result of the difference in premium collection methods between the agency companies and direct writers is that the direct writer realizes an investment return on premiums for 60 to 90 days longer than the agency companies and at the same time eliminates the added expense of maintaining a collection department.

Because agency companies have been forced to allow flat cancellation of policies if they are returned within the period of credit extension, they have the added expense of issuing a policy, processing it through the records and then cancelling it with a complete duplication of operations without receiving any premium to defray any portion of this cost, Mr. Deering pointed out. If this occurred only occasionally the expense would be negligible, but he remarked this practice constitutes one of the most serious problems in agency operations, sometimes running 20% to 25% of all policies issued.

Compounding the problem of flat cancellations is the practice on the part of some agents to order policies on a speculative basis, hoping a sale will result. These costs have to be passed along to legitimate policyholders "and cannot be justified as sound business practice," Mr. Deering declared.

If the agency companies could get their premiums in advance, or at least a minimum deposit which would lend some credence to the sale and cover earned premiums in the event of cancellation, these evils would disappear. The agents and the companies would benefit from a reduction of expense and there would be an increased investment return to the insurers.

Even when agents do order policies with reasonable justification, Mr. Deering said there is another practice that adds expense, and that is ordering renewals on an "as is" basis, without checking to determine if the policyholder has had a change of address, new automobile, increase or decrease in hazard, need of additional coverages, etc. Such changes are discovered when the policy is delivered and then it must

be rewritten or endorsed to reflect them. It may be easier for the agent to assume that no changes are necessary and let the company do the worrying about endorsements and rewriting, but the waste motion and expense involved from the company standpoint is neither necessary nor justified, he said. An agent who does not review the policy

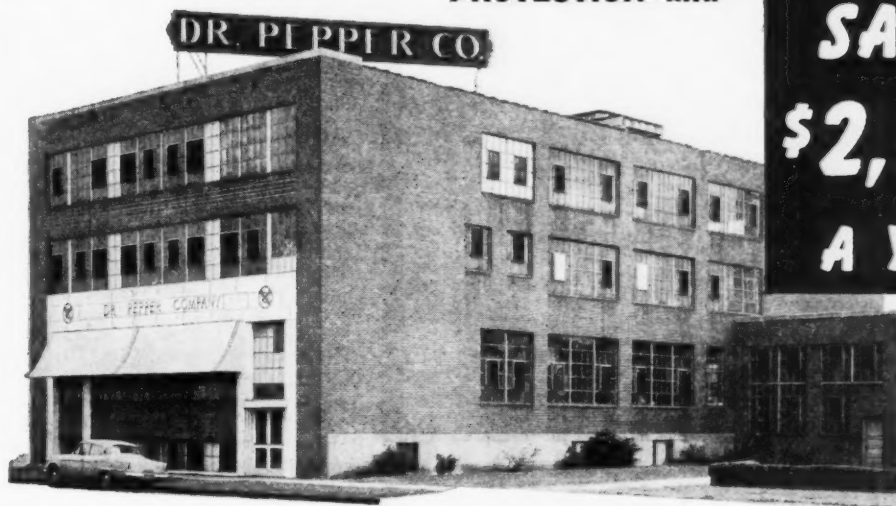
information with his client and bring him up to date on changed conditions is not adhering to the professional standard that agents and companies are trying to establish and maintain.

Another cause of company expense is the pressure from agents to accept so-called "accommodation" lines. It is inherent in the underwriting programs of many agency companies to accept a certain proportion of accommodation business depending upon the agency's volume, loss ratio and length of association with the company. This is part

of the plan to provide an across the board market, but accommodation lines involve increased expense for service if they are to be kept under control. Mr. Deering said this additional expense is something most direct writers are unwilling to incur, because "they do not feel the obligation to provide as broad a market as possible consistent with their financial ability to do so. It is my feeling that the direct writers have traded upon the moral willingness of the agency companies to insure risks,

(CONTINUED ON PAGE 32)

DR. PEPPER COMPANY branch syrup plant,
Birmingham, Ala., protected *Automatically*
gets better **FIRE and BURGLARY**
PROTECTION and



SAVES
\$2,153
A YEAR

"The ADT automatic protection used in our Birmingham Syrup Plant has not only been a great benefit to us from an efficiency standpoint, but each year it has lowered our building protection costs \$2153."

Ed Millican

Vice President in Charge of Production

Preservation of its continuity of production is highly important to the business of Dr. Pepper Company, well-known manufacturer of soft drinks. It was for this reason that company officials turned to ADT for protection of a key facility.

ADT Central Station Burglar Alarm and Aero Automatic Fire Alarm Services are combined to give complete automatic protection against fire and burglary. These services—more effective and reliable than other methods—actually cost less, as evidenced by Mr. Millican's statement reproduced above.

Whether your premises are new or old, sprinklered or unsprinklered, the appropriate ADT Fire Alarm Service will detect fire and notify the fire department automatically. ADT Burglar Alarm Service will automatically summon police when burglars attack. ADT Heating and Industrial Process Supervision will automatically detect and report other abnormal conditions.

ADT safeguards, electrically, many billions of dollars' worth of tangible and intangible assets owned by 58,000 subscribers in more than 1,600 municipalities. An ADT specialist will be glad to show you how combinations of automatic services can protect your property, profits, and employees' jobs, by minimizing fire and burglary losses.

Call our local sales office if we are listed in your phone book: or write to our Executive Offices.

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turning
readers
into
prospects!

FOR QUALITY PROPERTY INSURANCE, SEE YOUR HOMETOWN AGENT!

my product is property protection—
and I sell the best!



"I'm an insurance agent—
an independent businessman. Like any
good merchant, I take pride in what I sell you.

"Most printed policies look pretty much alike. But that's not
what I sell. I don't sell policies—I sell protection and services—
my own and those of the company I represent. Together,
we provide top-quality protection for the policyholder—
the most in value for every insurance dollar."

Your own Home Insurance agent or broker is the man
who can give you the best buy in insurance, on your
home, your car, your business. His advice and profes-
sional services are at your command. See him now!

THE HOME

ORGANIZED 1853



Insurance Company

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes
Casualty Insurance, Fidelity and Surety Bonds

A stock company represented exclusively by over 40,000 independent local agents and brokers

The Home Insurance Company's
current advertisement is your
"personal introduction" to new
leads and prospects.

By acquainting your prospects with
the professional calibre of the services
you render, this advertising builds good
will for you and assures receptive
attention to your suggestions.

Advertising like the above is making friends
for you and paving the way to sales
every day. Take advantage of it!
Your Home fieldman is ready to
help you any way he can.

THE HOME

ORGANIZED 1853



Insurance Company

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes
Casualty Insurance, Fidelity and Surety Bonds

A stock company represented exclusively by over 40,000 independent local agents and brokers

This advertisement
appears in color in:

U. S. News & World Report
— July 22

Better Homes and Gardens
— August

American Home—August

Nation's Business—July

Business Week—July 16

Town Journal—July

Newsweek—July 11

Time—July 11

College Teachers Win Summer Fellowships at Insurer Offices

Thirty-five insurance teachers in
U. S. colleges have been awarded sum-
mer fellowships under the five-year-
old cooperative program sponsored by
American Assn. of University Teachers
of Insurance and insurance trade or-
ganizations.

The insurance teachers will spend
four or six weeks in the home offices
of fire, casualty and life companies
where they will study policies, pro-
cedures and problems. Each fellow is
assigned to a company officer, and they
carry out together a program designed
to give the teacher an insight into the
business.

Lawrence J. Ackerman, dean of the
University of Connecticut school of
business, is chairman of the coordinat-
ing committee which administers the
program.

These teachers have been assigned
to fire and casualty companies: Wil-
liam R. Beaton, Ohio State University,
to Great American; William L. Bur-
dick, Western Michigan College, to
Hardware Mutuals; Howard E. Clarke,
Northwestern and Wisconsin universi-
ties, to Phoenix-Connecticut group;
John R. Graf, University of Louis-
ville, to American group; Hershon
Freeman, Oklahoma A. & M., to Farm
Bureau of Ohio; Gustave F. Goetz Jr.,
Seton Hall University, to America Fore
group; Arthur G. Griffin, Davidson
College, to Atlantic Mutual Fire of
Georgia; W. A. Guinn, University of
Arkansas, to Federated Mutual Im-
plement & Hardware; Hal F. Holt,
Phoenix College, to Fireman's Fund;
Hans Janssen, Yankton College, to
Home; Fred R. Kucera, Kent State
University, to North America group;
James R. McPherson, Boston College,
to Employers group; Robert I. Mehr,
University of Illinois, to America Fore
group; Raymond J. Murphy, Wayne
University, Aetna Casualty; Grant Os-
born, University of Omaha, Hartford
Accident; J. Eugene Pierce, Southern
Methodist University, to Royal-Liver-
pool group; Leslie A. Rasner, Baylor
University, to Home; and Herbert J.
Vogt, Florida State University, to
Travelers. The other fellowship win-
ners have been assigned to life com-
panies.

36 At Campus School Held by Conn. Agents

Thirty-six local agents and their of-
fice personnel attended the annual
campus school held at Wesleyan uni-
versity, Middletown, sponsored by
Connecticut Assn. of Insurance Agents.
H. Sage Adams, Guilford agent, was
director and William M. Foord Jr.
of Litchfield, the association's educa-
tion committee chairman, was in
charge of planning.

The curriculum was on agency man-
agement with the faculty composed
of Thomas J. McKernan, director of
education of NAIA; Richard Layton,
vice-president of Rough Notes; Hen-
ry Istas, New Haven attorney, and
Ward Duffy, editor of Hartford Times.

Fire Association Opens New Offices in N. J.

Fire Association companies held an
open house at their completely re-
modeled new quarters in Bankers Na-
tional building, 26 Park street, Mont-
clair, N. J., which will serve the north-
ern sector of the state.

Those at the opening included Vice-
presidents Addison Roberts, George
V. Whitford, W. Stanley Kite and Jo-
seph V. Gosline.

"Attendance" of Car Interpreted in Case of Jewelry Theft

The language of the jeweler's block
policy regarding "attendance" in con-
nection with a theft from an automo-
bile was upheld by the U. S. eastern
New York district court in Tornek vs.
St. Paul F. & M., 8 CCH (Fire & Cas-
ualty) 562.

Tornek in 1949 drove along from
Indianapolis to Chicago to visit his
parents and conduct some jewelry
business. In Chicago a tire blew out,
and he had to go to a filling station a
few blocks away to obtain help. He
asked a man standing nearby to watch
the car while he was gone. When in-
sured returned, he found that his two
jewelry valises were missing. However,
he found that on his return the trunk
was closed and locked and he had to
use his key to open it. Tornek testified
that he had seen someone reach into
the trunk of his car and run away.

The court concluded that if the
terms of the policy had been complied
with, a person whose sole duty it was
to attend the car, knowing the value
of the jewelry in the trunk, would
have paid closer attention to what the
thief was doing than the stranger who
was pressed into service by the owner.
The court thus concluded that the
terms of the policy were not complied
with.

Joseph H. Sand and Milton Berelson
represented Tornek and Rien, Mound
& Cotton and Paul D. Compton ap-
peared for the St. Paul.

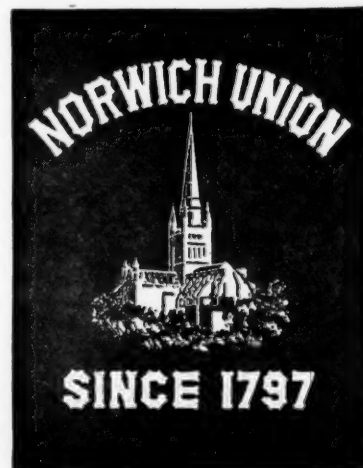
U. S. Fire Votes 100% Stock Dividend

A 100% stock dividend that would
increase authorized stock to 2 million
shares from 1 million of \$3 par value
was voted by directors of U. S. Fire, a
member of Crum & Forster group.

Stockholders will vote on the divi-
dend at a special meeting July 12. If
approved, a 25 cent quarterly dividend
will be declared on stock then out-
standing, payable Aug. 1 to stockhold-
ers of record July 21. This dividend
would be equal to 50 cents on present
shares on which the company has been
paying 45 cents quarterly.

N. H. Kills Uniform Car Rate Proposal

A bill that would have established a
uniform rate for automobile liability
insurance was killed by the New
Hampshire senate. The measure would
have required all insurers to report
their loss experience so that the ac-
cident experience of insured motorists
would be reflected in the rates ap-
proved by the insurance department.



"Residence" Under the Off-Premises Feature Interpreted in N. C.

The 10% off premises fire coverage was held by North Carolina supreme court to cover the loss of property belonging to a minor, dependent son while away at college. The case was that of Parker vs Iowa Mutual, 8 CCH (Fire & Casualty) 560.

Parker had a \$6,500 contents policy on his property in Sparta. While his son was in Raleigh attending state college there was a fire loss of \$1,937. The apartment was furnished with furnishings taken from the home in Sparta belonging to insured. The supreme court upheld the lower court's judgment for \$650.

Testimony indicated that insured paid the rent on the apartment occupied by the minor son.

The court commented that since the policy fixes no duration of time in which the property may be elsewhere, it can be assumed that the only limitation is the life of the policy. The court admitted that somewhat more troublesome is the requirement "belonging to the insured or any member of the family of and residing with, the insured, while elsewhere than on the described premises." The expression in policy, "residing with," is equivalent to and means having his residence with.

Consequently, the supreme court stated, it becomes pertinent to inquire where the minor son had his residence at the time of the loss. Does a minor and dependent son who moved to an apartment maintained by his father for the purpose of attending college classes become a resident of the college community, or does he retain his residence with his father, the court asked. The court noted that the state college which the son was attending was empowered to charge "non-resident students tuition in excess of that charged resident students." Students who are residents of the state do not become residents of the college community merely by occupying a room or apartment and attending classes. This seems to be to the North Carolina supreme court a reasonable interpretation of the term "residence."

The court also commented that the very fact the loss is limited to 10% of the full coverage indicates the insurer is willing to take some extra risk in order to make the policy more attractive to those who spend a part of their time away from the family residence. It calls attention to the case of Central Manufacturers Mutual vs Friedman, decided in 1938 by the Arkansas supreme court. In that case insured's son was a minor who attended Ohio State College for three months, then was inducted into the army, attended officers' training school, was commissioned and assigned to duty at Ft. Eustis, Va., and while serving there had his locker broken into and personal property stolen. The court held that the son at the time of the loss was a member of insured's family of the same household and his loss was covered by the policy.

R. F. Crouse appeared for Parker, and Worth B. Folger represented Iowa Mutual.

N. J. CPCU Chapter Names Mintz New President

New Jersey chapter of CPCU has named Walt B. Mintz of Mintz & Mahler of South Orange president.

Other officers elected were John J.

Leddy of American and Jack Neubauer, Newark broker, vice-presidents; Sidney Rudolph, Passaic agent, treasurer; Sidney A. De Roner of Walter A. Shaefer & Co., Newark, secretary, and Bernard J. Spingarn, Newark agent and broker, trustee.

Atlantic Mutual Appoints Bauer to Field in N. J.

Atlantic Mutual and Centennial have named William Bauer Jr. marine special agent for northern New Jersey. He will work out of Newark under the supervision of Manager Donald F. Walker.

Insurer Can't Defend on State of Premises If It Didn't Inspect

Because the insurer failed to make an inspection of the property before issuing a policy, under Minnesota's valued policy law, the company was precluded from introducing evidence regarding the condition of the premises which existed before or at the time insured applied for the policy. The case was that of Nathan vs St. Paul Mutual, CCH (Fire & Casualty) 564, decided by Minnesota supreme court.

The Minnesota statute clearly requires that insurer has the burden of inspecting the premises before issuing a policy, the court ruled. Evidence that does not concern changes occurring after the policy has been issued is inadmissible. The lower court's verdict for the insurer was reversed and a new trial granted.

F. & D. Quarterly Dividend Increased

Fidelity & Deposit has declared a quarterly dividend of 90 cents, an increase of 15 cents, payable July 30 to stockholders of record July 14.

BIRDIES OR BOGIES...

The Man Makes the Difference

● Yes—the pay-off is in performance . . . the kind of champion performance pictured here, whether it's on a golf course or serving insurance agents.

And performance is the outstanding characteristic of Fire Association Fieldmen. Performance in knowing the community. Performance in providing sound, professional advice and help. Performance in making prompt decisions.

That's why so many agents have been associated with our Companies, for twenty, twenty-five, thirty years and longer.



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HEAD OFFICE: 401 Walnut St., Philadelphia 6, Penna.
Branches in Atlanta, Chicago, Dallas, New York, San Francisco, Toronto. Claims and Settling Agents throughout the world.

EDITORIAL COMMENT

Don't Write-Telephone

At the risk of sounding like an A. T. & T. publicity man we suggest a resolution for harassed insurance executives that they vow to write fewer memorandums and letters in the future and instead make more use of that time- and money-saving invention, the long distance telephone.

Moreover, as a means of getting more value out of the time of scarce and hard-to-get executives, we believe top management would do well to foster such a move and even insist on executives using the telephone instead of the written word wherever feasible.

Of course, letters and memorandums are all right for strictly routine communications. Most of these can be written by a secretary, anyway, and do not warrant the expense of a long distance call.

But, for handling a situation that is in the least complex, or that calls for the exercise of diplomacy by the writer, or for any other reason demands special care in the writing so it will be accorded the desired reception and elicit the response or action that the writer wants—well, anyone who has tried to deal with such a situation by mail knows all too well the struggle that is involved in producing the wanted result. How much simpler it would be, how much costly executive time would be saved, and how much less conducive to ulcers and high blood pressure it would be just to pick up the phone and chat a few minutes.

The called is spared all the monkey-business of framing a carefully worded letter or memo. The man at the other end of the line is spared having to wade through a communication that probably recites a great deal that he is already familiar with, yet lacks certain information that he would like to have in order to frame a reply or decide on what action to take. In a five-minute telephone call there may be a dozen or more questions, statements and responses, the equivalent of writing a dozen letters back and forth.

Of course, nobody ever bats the conversational ball back and forth in this way in such a long series of letters and memos, so often the result is that the two people never come to a real meeting of the minds. Sometimes this is only mildly irritating. At others it can be quite frustrating.

Yet it is amazing to observe how many matters that could be much more expeditiously handled by telephone are made the subject of letters and memorandums.

If a company took the trouble to analyze the cost of written communication as compared with long distance telephoning it would be surprised at how much of its executive payroll outlay is for a cumbersome, outmoded procedure that could be much more economically supplanted by the telephone.

A \$20,000-a-year executive is paid at roughly the rate of \$12.50 an hour for the seven-hour day his pay is based on. The \$10,000-a-year subordinate to whom he is writing gets paid at the rate of \$6.25 an hour. The \$12.50-per-hour man would have to speak faster than a tobacco auctioneer to dictate rapidly enough to make memo-writing cheaper than telephoning. Even for the man who is paid \$6.25 an hour the same could doubtless be said. But in the typical situation each of these men will probably do his dictating in a fairly deliberate manner, with pauses for cogitation, with false starts and many corrections.

If the communication is lengthy, it takes more time for the recipient to read and understand it; if it is condensed, it takes much more time to write and runs the risk of being misunderstood. At best, it is extremely difficult to convey shades of meaning in writing but very easy to do so in conversation.

There is of course much more to the use of the telephone as against writing. The main thing, from the employer's point of view, is that entirely aside from any monetary saving, the telephone permits busy executives to keep current with their work much more readily and to accomplish more of the tasks that the company can't hope anybody else will handle. It means that the man who has to work after hours, or at home evenings and weekends can do less of this frustrating after-hours work. He will thus be a better piece of help during the time he is being paid for, with less chance of breaking down under abnormal strain—all to the obvious advantage of the man himself and the company he works for.

For anyone who still has a doubt of the superiority of the telephone as a time-saver and money-saver for communications above the routine level, we suggest this: Measure the time it takes to frame such a communication, to read it over before sending it out; estimate how long it takes the recipient to read and understand the contents and to frame a reply and check

how long it takes you to read his answer. Then estimate the cost in salaries and even neglecting the secretarial time involved the saving in money will be so obvious that you'll feel you're wasting your company's money every time you handle such a matter by correspondence rather than by telephone. And the amount of time you will save for other pressing tasks will amaze and gratify you.

PERSONALS

John R. Barry, president of Corroon & Reynolds, had the honorary degree of doctor of commercial science conferred on him by the Very Rev. John A. Flynn, president of St. John's university, at its commencement exercises. Mr. Barry is a member of the university council, an organization of laymen which advises the school on matters of administration and finance.



John R. Barry

Carl E. McDowell, executive vice-president of American Institute of Marine Underwriters, was elected president of National Council of Seamen's Agencies at the council's spring conference in New York. He has been a director of Seamen's House YMCA in New York several years. He is also executive vice-president of both Board of (Marine) Underwriters of New York and National Cargo Bureau.

John A. Diemand, president of North America, was awarded an honorary doctor of laws degree by Bucknell university, Lewisburg, Pa. As commencement speaker at the graduation exercises, he told the graduates that character is the keystone of knowledge although it is a thing that know-how cannot make or dollars buy and it cannot be graded by a teacher.



John A. Diemand

John J. O'Toole, prominent St. Louis agent, with Mrs. O'Toole and their daughter, Mary Katherine, have left for a European vacation which will include Ireland, Scotland, the Netherlands, England, Belgium, Germany, Switzerland, Italy and France. They will return to the U. S. on July 26.

Donald K. Weiser, Chicago manager of Aetna Casualty, has been elected a trustee of Gettysburg College, from which he graduated, for a six-year term.

Joseph E. Lopez, who served briefly as president of Continental of the America Fore group in 1921, left an estate of \$3,768,377. Mr. Lopez, who died in 1953 at the age of 93, was president from January to November, 1921. He was prominent in engineering and other activities.

John F. McAlevy, counsel of Bureau of A&H Underwriters, and Mrs. McAlevy, are the parents of a daughter, born June 12 at Harkness Pavilion, Columbia-Presbyterian Medical Center, New York City. The McAlevys also have two sons, Peter and Benedict.

Miss Marion A. Bills, first woman to become an officer of a Hartford insurance company, will retire July 1. She was appointed assistant secretary of Aetna Life in 1926 and later was named to a similar position in Aetna Casualty, Automobile, and Standard Fire.

Will A. Ezell, local agent, has been elected mayor of Sharon, Tenn., for a two-year term.

DEATHS

LEONARD H. JONES, 58, executive vice-president of Druggists Mutual of Mansfield, O., died last week after a long illness. A native of Wales, Mr. Jones came to the United States when he was 14. After working in the advertising business in Youngstown and serving with the U. S. cavalry, Mr. Jones began his insurance career in 1928 as advertising manager for Lumbermen's Mutual of Mansfield, later becoming sales manager in charge of branch offices. He went with Druggists Mutual as assistant secretary in 1941. He was the first editor of *Mutual Review*, organ of National Assn. of Mutual Insurance Agents.

TED MYERS, 38, acting manager of the Tayman agency at Stamford, Tex., died there.

DONALD W. KLEINSCHMIDT, 36, secretary of the Raddatz & Meyer agency and member of the Raddatz-Meyer-Kleinschmidt agency, Oshkosh, Wis., died at Wisconsin General hospital, Madison, after being hospitalized 10 days.

CHARLES T. GREEN, 62, Pioneer independent adjuster at Los Angeles, died at his home in Pasadena. He started as an adjuster in Detroit, and then was with several companies before going to Los Angeles in 1915 where he joined Charles Peckham & Green. This firm was in business with

THE NATIONAL UNDERWRITER

EDITORIAL OFFICE:
99 John St., New York 38, N. Y.
Executive Editor: Kenneth O. Force,
Assistant Editors: Edward F. Cox, John B. Lawrence, Jr. and Eloise West.

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CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. R. J. Wiegman, Resident Manager.

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Assistant Editor: Edmund J. Brophy.
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DETROIT 26, MICH.—502 Lafayette Bldg., Tel. Woodward 1-2344. A. J. Edwards, Resident Manager.

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Telephone Wabash 2-2704.
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Telephone Parkway 2140.

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MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Resident Manager.

NEW YORK 38, N. Y.—99 John Street, Room 1103, Tel. Beekman 3-3958. Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

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Louis H. Martin, Vice-President.
Joseph H. Head, Secretary.
John Z. Herschede, Treasurer.
420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 2140.

OMAHA 2, NEBR.—610 Keeline Bldg., Tel. Atlantic 3416. Clarence W. Hammel, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.

SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544 Market St., Tel. Exbrook 2-3054. A. J. Wheeler, Pacific Coast Manager.



branches at San Diego and Fresno until Mr. Green retired several years ago and the branches were taken over by other firms and the Los Angeles office merged with Ryan & Martin.

CHARLES E. McKENNEY, 49, president of Enterprise of Los Angeles and the Charles McKenney managing general agency, died at Los Angeles after a long illness. He was a leading figure in the workmen's compensation ranks. His death was due to a virus attributed to an attack of jaundice suffered when he was a child. Mr. McKenney had been virtually confined to his bed for four years.

His insurance career began in 1928 when he joined the state workmen's compensation fund. In 1936 he became vice-president of California Compensation, and in 1953 he organized Enterprise.

RALPH H. KAY, 64, local agent, Lumberton, N. C., since 1935, died after a long illness.

FRANK V. COOPER, 69, of the New York adjusting firm that bears his name, died. He was a former special investigator of National Board.

EDWIN S. QUIN SR., 85, Carteret, N. J., local agent for 50 years died at his home there. He was one of the founders, in 1906, of the borough of Carteret.

G. ROBERT GABLE, 71, Baltimore public adjuster, died at his home in Passaic, N. J., after a long illness. Mr. Gable started in insurance in 1905 and since 1941 was a member of Goodman-Gable-Gould Co. of Baltimore.

MINAH V. HUNTER, 80, retired president for many years of Farmers Mutual of Dowagiac, Mich., died.

KENNETH R. MacNICOL, 57, deputy director of New York State Fund died at Passaic general hospital in Nutley, N. J.

J. ELI BROWN, 74, partner in the Stagg, Davenport & Brown agency of Harrodsburg, Ky., died there.

EDGAR M. JENNINGS, 69, president of Buschman-Jennings-Trout agency of St. Louis, died of a heart attack in his home. He was one of the founders and for 20 years was president of Gen-

COUNTRYSIDE LOSS AND EXPENSE RATIOS FOR 1954 GIVEN BY N. Y. DEPARTMENT

Summary figures from its booklet on 1954 loss and expense ratios, to be available in July, have been released by the New York department. The summary figures in the chart give the aggregate experience of all fire and casualty companies licensed in New York in 1954 for major lines reported in the insurance expense exhibit.

The net gain for each line in the

tabulation differs somewhat from that in the expense exhibit as the department computes the ratios for commissions and brokerage and for taxes and fees on a written instead of an earned premium basis as the department believes the results are more realistic.

The new expense exhibit will contain ratios for each company and each

line and prior years results in the aggregate for each class of company. All ratios are based on earned premiums except those for "commission and brokerage" and "taxes and fees" which are based on written premiums. Expenses do not include federal income tax. Net gain shows results before consideration of federal income tax.

STOCK COMPANY AGGREGATES	COUNTRYWIDE NET PREMIUMS		UNDERWRITING RATIOS			ANALYSIS OF EXPENSES					
	WRITTEN	EARNED	LOSS	EXPENSE	NET GAIN	LOSS ADJUSTMENT	COMMISSION BROKERAGE	OTHER ACQUISITION	GENERAL	TAXES AND FEES	
FIRE	\$1,160,523,277	\$1,163,886,852	44.2	47.4	6.4	3.0	25.1	6.9	9.0	3.4	
EXTENDED COVERAGE	352,975,249	320,832,428	86.5	59.2	-45.7	11.9	26.7	7.9	9.6	3.1	
OCEAN MARINE	143,380,325	142,412,597	48.6	35.6	15.8	5.8	17.4	3.8	7.1	1.5	
INLAND MARINE	272,005,889	265,341,321	49.7	47.0	3.3	5.9	21.7	8.5	7.8	3.1	
ACCIDENT	47,016,113	47,064,171	33.5	55.9	10.6	3.8	28.9	9.5	11.0	2.7	
ACCIDENT AND HEALTH	44,101,726	43,909,537	44.7	48.1	7.2	4.1	27.0	10.0	4.7	2.3	
HOSPITAL AND MEDICAL	30,275,856	30,844,427	40.2	45.9	13.9	4.0	25.8	10.5	3.5	2.1	
GROUP ACCIDENT AND HEALTH	249,618,679	240,972,549	76.8	18.7	4.5	2.7	7.2	2.6	3.6	2.6	
WORKMEN'S COMPENSATION	515,222,029	503,609,981	55.4	34.7	9.9	8.7	11.1	3.2	8.3	3.4	
LIABILITY OTHER THAN AUTO	329,953,541	303,415,320	44.2	53.9	1.9	13.3	20.3	5.8	11.8	2.7	
AUTOMOBILE LIABILITY	909,109,431	889,381,275	54.0	42.7	3.3	10.4	18.1	6.0	5.2	3.0	
AUTOMOBILE PROPERTY DAMAGE	460,484,174	451,394,743	44.6	44.0	11.4	10.3	19.2	6.1	5.6	2.8	
AUTOMOBILE COLLISION	453,653,906	462,290,297	39.9	43.6	16.5	6.1	23.7	6.3	4.8	2.7	
AUTO FIRE, THEFT AND COMPREHENSIVE	199,736,575	201,418,690	45.1	47.1	7.8	7.4	23.9	6.9	6.1	2.8	
PROPERTY DAMAGE OTHER THAN AUTO	71,679,949	67,797,193	36.5	52.8	10.7	11.2	20.3	6.3	12.2	2.8	
FIDELITY	71,728,391	59,718,004	35.9	58.1	6.0	10.4	16.9	11.6	16.1	3.1	
SURETY	110,008,522	107,546,908	21.1	61.3	17.6	6.2	24.9	11.7	15.3	3.2	
GLASS	28,607,018	27,912,525	40.4	55.0	4.6	5.5	27.3	8.6	10.9	2.7	
BURGLARY AND THEFT	82,369,777	77,900,406	41.5	54.7	3.8	6.5	25.9	8.4	11.2	2.7	
BOILER AND MACHINERY	48,565,743	39,912,661	23.5	63.7	12.8	2.0	17.4	7.5	33.7	3.1	
MUTUAL COMPANY AGGREGATES											
FIRE	181,596,662	175,709,222	36.4	38.2	25.4	2.5	15.2	9.3	8.6	2.6	
EXTENDED COVERAGE	53,697,819	46,640,705	94.9	54.5	-49.4	13.2	18.6	10.5	9.7	2.5	
OCEAN MARINE	8,609,835	8,624,344	34.7	32.5	32.8	7.7	8.3	6.2	9.1	1.2	
INLAND MARINE	19,130,592	18,236,127	45.1	41.9	13.0	6.0	10.2	12.6	10.3	2.8	
ACCIDENT	2,378,492	2,319,554	33.9	38.4	27.7	5.2	13.9	9.9	7.1	2.3	
ACCIDENT AND HEALTH	2,020,667	1,963,378	63.3	38.2	-1.5	3.9	2.7	21.2	8.1	2.3	
HOSPITAL AND MEDICAL	3,930,959	3,727,862	51.3	48.0	.7	5.3	18.3	12.7	9.4	2.3	
GROUP ACCIDENT AND HEALTH	60,329,926	58,332,492	74.9	15.8	9.3	2.9	2.3	5.3	2.7	2.6	
WORKMEN'S COMPENSATION	334,339,210	330,384,180	55.6	23.8	20.6	7.5	1.8	4.8	6.7	3.0	
LIABILITY OTHER THAN AUTO	80,281,849	75,040,139	51.7	44.1	4.2	16.6	8.4	7.1	9.6	2.4	
AUTOMOBILE LIABILITY	328,044,605	322,256,262	54.3	38.8	6.9	14.6	8.2	8.8	4.8	2.6	
AUTOMOBILE PROPERTY DAMAGE	160,444,804	158,223,844	48.4	37.0	14.6	12.4	8.3	9.3	4.7	2.3	
AUTOMOBILE COLLISION	174,524,513	173,986,160	36.0	34.2	29.8	9.5	9.2	9.1	4.2	2.2	
AUTO FIRE, THEFT AND COMPREHENSIVE	66,770,473	66,193,840	47.9	37.9	14.2	10.2	9.2	10.7	5.5	2.3	
PROPERTY DAMAGE OTHER THAN AUTO	16,371,554	16,392,743	45.8	42.4	11.8	15.3	5.0	9.1	10.6	2.4	
FIDELITY	4,123,654	3,412,314	64.4	44.6	-9.0	10.8	6.5	11.5	13.6	2.2	
SURETY	795,069	687,371	65.7	42.6	-8.3	-1.3	26.7	7.1	8.1	2.0	
GLASS	2,493,006	2,413,678	43.6	42.8	13.6	4.4	9.6	14.3	12.1	2.4	
BURGLARY AND THEFT	5,189,214	4,954,072	41.8	45.9	12.3	8.1	8.0	14.6	12.9	2.3	
BOILER AND MACHINERY	16,542,931	16,269,663	17.8	35.8	46.4	2.3	3.4	7.5	20.5	2.1	
REINSURANCE COMPANY AGGREGATES											
FIRE	82,225,394	87,034,403	45.0	46.3	8.7	2.1	41.6	.9	1.5	.2	
EXTENDED COVERAGE	22,381,568	21,510,720	83.4	49.5	-32.9	6.1	40.3	1.1	1.8	.2	
OCEAN MARINE	4,569,421	4,508,922	64.9	31.4	3.7	3.6	25.4	.7	1.5	.2	
INLAND MARINE	5,523,148	5,729,740	60.8	44.6	-5.4	3.5	38.5	.9	1.5	.2	
ACCIDENT	1,715,765	1,628,993	29.6	46.4	24.0	.5	43.8	.8	1.2	.1	
ACCIDENT AND HEALTH	1,996,247	2,047,258	38.0	49.9	12.1	2.2	38.0	4.6	4.0	1.1	
HOSPITAL AND MEDICAL	326,894	188,587	50.2	60.7	-10.9	1.6	54.7	1.5	2.8	.1	
GROUP ACCIDENT AND HEALTH	2,557,970	2,759,281	43.9	44.6	11.5	1.2	39.3	1.7	1.6	.8	
WORKMEN'S COMPENSATION	7,236,213	6,829,058	51.7	33.6	14.7	6.7	20.0	2.6	3.0	1.3	
LIABILITY OTHER THAN AUTO	7,908,428	7,246,742	56.1	48.1	-4.2	7.6	35.1	2.3	2.6	.5	
AUTOMOBILE LIABILITY	29,336,708	28,955,533	55.5	44.4	-1.1	6.3	34.3	1.8	1.6	.4	
AUTOMOBILE PROPERTY DAMAGE	7,822,789	8,081,072	20.2	45.0	34.8	2.3	38.9	1.3	2.0	.5	
AUTOMOBILE COLLISION	3,300,220	3,216,563	66.9	47.5	-14.4	4.4	38.8	1.7	2.5	.6	
AUTO FIRE, THEFT AND COMPREHENSIVE	4,770,446	4,696,861	47.5	44.3	8.2	2.3	35.8	1.0	1.9	.3	
PROPERTY DAMAGE OTHER THAN AUTO	1,803,938	1,778,700	37.4	46.4	18.2	8.4	33.4	1.6	2.3	.7	
FIDELITY	7,794,951	6,077,496	36.6	51.2	12.2	3.2	43.9	2.0	1.8	.3	
SURETY	19,394,967	17,682,025	36.8	57.1	6.1	4.3	48.4	2.2	1.8	.4	
GLASS	221,753	200,570	24.7	46.2	29.1	2.5	33.4	3.5	5.7	1.1	
BURGLARY AND THEFT	2,778,326	2,895,532	30.6	50.2	19.2	2.5	44.3	1.4	1.5	.5	
BOILER AND MACHINERY	914,967	749,008	51.7	32.9	15.4	2.0	26.6	1.6	2.2	.5	

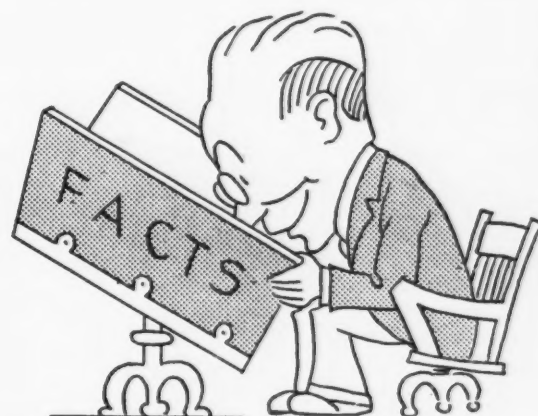
(CONTINUED ON PAGE 38)

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Addition Instead of Extension Will Be Countrywide

The new rules promulgated by Florida Inspection & Rating Bureau, which make the 10% applicable to outbuildings and time element extensions of the dwelling building special and the dwelling building contents broad form, actual additional amounts of insurance, is a development of a recommendation of Inter-Regional Insurance Conference, nationwide. It is being incorporated in various jurisdictions when the forms are revised and is expected to be approved in some midwest jurisdictions soon.

The interpretation of such insurance as an additional amount rather than an extension only of the amount of insurance, would come into play only

when the main dwelling is wiped out. However, the change is regarded as having some sales value.

North America incorporated this change in its forms some time ago.

Ranier National Men Move

Following the merger of Ranier National with Western Pacific, several members of the Ranier National staff have taken on new affiliations. They are:

B. K. Varney, office manager and chief accountant, has joined Packers Finance.

Robert Covell, Seattle claims manager, has joined the Seattle adjusting firm of James H. Moffet Jr.

Lynn Huff, assistant secretary and statistician, is entering the research department of General of Seattle.

Robert Chivers, casualty underwriter, has joined Gould & Gould, Seattle general agency.

Wis. Mutual Agents Elect Mayer President

Wisconsin Assn. of Mutual Insurance Agents at its annual convention at Lake Delton elected Clem Mayer, Jackson, as president to succeed Elmer S. Steinbach, Mayville. Chester Possin, Waupun, was chosen vice-president; E. S. Steinbach, Mayville, treasurer, and W. M. Koehler, Cedarburg, re-elected secretary. E. C. Gother, Milwaukee, was elected a national director.

The mutual agents passed a resolution supporting the agents' qualification bill, which has now passed both houses. It would require new fire and casualty agents in Wisconsin to pass a written examination for a license and pay a \$5 fee. Now only life insurance agents are required to pass a written examination. Fire and casualty agents now are not required to pass a test but qualify by paying an annual \$1 license fee. The new provision would apply only to future applicants. The amendment would authorize the commissioner to require a written examination for renewal license if he deemed it necessary.

Balboa To Increase Capital

Balboa of Los Angeles has been granted a permit by the California department to issue 6,000 shares of its \$100 par stock, of which 2,500 shares will be issued as a 62½% dividend and 3,500 shares will be sold at the par value of \$100. The company has transferred \$250,000 from surplus to provide for the stock dividend, and with the addition of the new shares will have a capital of \$1 million and will qualify as a multiple line insurer.

Balboa is a wholly-owned subsidiary of Seaboard Finance.

Zoegtli Joins Omaha Insurer

Oscar Zoegtli has been appointed underwriting manager of Imperial Casualty & Indemnity of Omaha, which specializes in truck coverages.

Mr. Zoegtli was with Mutual Implement & Hardware of Minnesota. National Surety, and Employers Mutuals of Wausau before going with Imperial C.&I.

Hear Shepherd at New Orleans

Alvin Shepherd, head of the Alvin Shepherd agency of New Orleans, spoke at the June meeting of Capital Stock Fire Insurance Agents Assn. at New Orleans. Mr. Shepherd is the newly elected president of Louisiana-Mississippi Capital Stock Managing General Agents Assn.

Insurance Women's Club of Washington heard a talk on the new District of Columbia financial responsibility law by Joseph Murphy, its administrator.

Byrne Asks for Fair Shake on Marine

WASHINGTON—Since the inception of the economic aid program by the United States government under the Marshall plan, Assn. of Marine Underwriters of the U. S. has sought the right to compete for marine insurance on shipments financed by economic cooperation administration and its successor agencies, John T. Byrne of Talbot, Byrd & Co., president of the association, testified in his appearance before the house committee on foreign affairs. The hearing was in connection with the new mutual security bill.

Mr. Byrne said that the American market is not asking for a hand out of government money but only that a minor part of the economic aid program should not be administered in such a way as to do major damage to the American insurance market. The source of the difficulty on foreign aid shipments is the insistence by the government that it will not make dollars available for insurance coverage unless requested to do so by the government of the participating country. Since the second World War, 17 countries have enacted restrictive insurance laws and regulations to give to the insurance markets of those countries a virtual monopoly of the marine insurance on shipments to and from those countries.

The situation has deteriorated to the point where American insurance now participates in 5% of all foreign aid shipments. Obviously, he said, participating governments do not request dollar financed insurance in the interest of building up their own domestic insurance market.

Others who appeared included Roy Leiffelin, attorney for marine interests, and Clarence Klocksins of National Board.

Mutual Service Names Baxa

Willard O. Baxa has been appointed district manager for Mutual Service companies at the new Des Moines office which will open July 1.

Mr. Baxa has been in insurance for 20 years, starting with Metropolitan Life, and subsequently going with Ohio Farm Bureau group and the Kemper companies.

Two Promoted by Cal. Department

Maurice Rouble, supervising examiner in the examination and statement analysis division at Los Angeles, and Lawrence Ericksen, assistant to the chief of the compliance and legal division at San Francisco for the California department, have been promoted to deputy commissioners.

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Urge Continuous Appraisal for Actual Cash Value

(CONTINUED FROM PAGE 7)

cult and cost about three times as much as it would have to prepare the record while the property was still intact. Also, insured lost the advantage of an appraisal inasmuch as he could not take out the additional coverage he needed and the adjusters could not be certain they had accounted for all the property destroyed.

Mr. Whittington said he was amazed at the number of buyers who were satisfied to rely on accounting records as a basis for placing insurance and for developing the necessary proof of loss in the event of a fire.

Recently a representative of his company reported an interview with a controller of a company which had five or six plants representing an investment of several million dollars. The controller was concerned about the coverage, but the treasurer was not; he was relying on the book values. Either the treasurer did not understand accounting or he did not understand the insurance policy, Mr. Whittington said.

In the preparation of property records on an original cost basis for accounting and income tax purposes, his company has analyzed the property records of hundreds of corporations and made some amazing discoveries. In one case it was found that assets representing \$665,000 acquired over a period of 10 years had never been charged to the property accounts.

Frequently property accounts include the costs of major items of equipment that are no longer in the plant. To illustrate, 25 or 30 years ago a new controller went with a large baking company. Some years prior, the company had converted 100% to motorized delivery equipment, yet he found that they were still carrying a substantial "horses and wagons" account, which he referred to as their phantom circus.

Book costs are frequently misleading because they are not properly analyzed and classified. The "buildings" account may include the cost of "machinery and equipment" and vice versa. Often the recorded costs of a building will include charges which are not applicable to the building itself, such as the cost of tearing down an old building to make room for a new one, the grading of the site and even landscaping—none of which has any relation to the cost of the new building. His company had a complaint from the owner of a large lumber yard it had appraised. He insisted the value on a new building was entirely too low. But, he had itemized every dollar spent in connection with the new building including charges for filling and grading the site and for walks, drives and landscaping which had no bearing on the cost of the structure itself.

Since book costs reflect actual expenditures, they naturally include excess costs incurred due to overtime for labor, premiums paid for materials, excessive costs resulting from strikes or bad weather, and other exceptional conditions which do not represent the normal replacement cost at the date of acquisition. Conversely, the property account often includes the costs of secondhand equipment and buildings which may have been acquired at bargain prices.

Book records will seldom enable an appraiser to segregate the costs of

items excluded from insurance coverage from the portions covered, for many machines in excellent operating conditions are depreciated 100% on the books or are completely written off. This does not mean they do not have a substantial value for insurance purposes.

Book costs are not the proper base for determining needed insurance coverage, but neither are price trends,

Mr. Whittington said. A price trend at best produces an over-all result; it does not provide the actual cash value of every item needed to prove a loss.

Because coinsurance applies to the actual cash value at the date of the fire and because there is no way of knowing when a fire may occur and what the values will be at that date, insured without an up-to-date detailed property record would be obligated to carry insurance to a stipulated percentage of an unknown quantity. In times when prices are changing rapidly, it is advisable to provide a

factor of safety over the exact amount called for in the policy to provide a cushion for interim changes, Mr. Whittington advised.

If a pro-rata distribution clause applies to the property, insured has much the same problem as with coinsurance. It has the effect of making blanket insurance specific at the date of the loss.

Appraisers are sometimes criticized for going into too much detail, but this criticism has never, to Mr. Whittington's knowledge, come from an adjuster.



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ACCIDENT AND HEALTH

New Committee Heads Named by International

Committee chairmen of International Assn. of A&H Underwriters have been announced by the new president, Clifford E. McDonald, International Fidelity, Dallas.

They are: Public relations, Earle R. Bennett, Provident Life & Accident, Tampa, with E. J. Coffey, Mutual Benefit H. & A., Portland, Ore., as co-chairman; membership, Howard E. Nevenen, Washington National, Los Angeles; education, E. H. Magnuson, Federal Life & Casualty, Battle Creek; legislation, Frank I. Busbee, Monarch Life, Washington, D. C.; publicity, Robert W. Osler, Rough Notes Co., Indianapolis; magazine, Charles B. Stumpf, Illinois Mutual Casualty, Madison, Wis.; Leading Producers Round Table, Oakley Baskin, Mutual Benefit H. & A., Buffalo; cooperation with NALU, R. L. McMillon, Business Men's Assurance, Abilene; sustaining membership, Roy E. Davis, Illinois Mutual Casualty, Peoria; memorials, Sig Bjornson, Bjornson & Associates, Moorhead, Minn.

Business Men's Disability Discussed at San Antonio

San Antonio Assn. of A&H Underwriters heard Carl Lane, western division agency supervisor, General American Life, speak on A&H insurance for the business man at a recent meeting.

Emphasizing the need of the business man for disability coverage, he said that of 41 million businesses 85% are "one-man businesses." There are also 850,000 businesses with eight or less persons employed and the loss of one employee may be a serious matter. The success of any business is dependent upon the ability of an alert manager and his key men and an analyses of business failures shows that their cause is lack of alert management. Thus the prolonged absence of the manager may be fatal whether the manager is sole proprietor or in charge of a small group.

He went on to say that in the early days A&H insurance was optional; now it is the only method of protecting against certain types of loss of business profit, giving the increase in taxes as one of the decreases in income that needs covering.

K. C. A&H Assn. Elects

W. H. Ashley President

Kansas City A&H Underwriters Assn. has elected Willis H. Ashley of Ernest McClure agency, general agents for Continental Casualty, as president. Vice-president is Horace H. Mais, Business Men's Assurance, and secretary-treasurer, E. H. Wilson, Connecticut General Life.

Board members are Charles Phillips, New York Life; Lawrence Sperril, Guardian Life; Ralph Passman, Washington National; Perry Crow, Lincoln National; Hale W. Lentz, Bankers Life of Iowa, and Robert P. Ewing, Bankers Life & Casualty.

Ill. Mutual Casualty Fetes

President's Month Leaders

Dean H. Davis of Peoria won the president's month contest of Illinois Mutual Casualty with highest premium volume, and Robert Thorkelson of Thief River Falls, Minn., had the largest number of applications. They received trophies at a special celebration dinner at Peoria Country Club

from C. C. Inman, executive vice-president and E. A. McCord, president.

St. Paul A&H Men Elect

Henry C. Gydesen has been elected president of St. Paul A&H Underwriters Assn. to succeed Robert A. Sanders. Loane Randall was elected vice-president and P. Berchem secretary.

Farrell New President of Boston Claim Group

William J. Farrell, Aetna Casualty, is the new president of Boston Life & Accident Claim Assn.

Other officers are R. A. Edwards, Monarch Life, vice-president; H. S.

Critchlow, Equitable Society, secretary; G. R. Bacon, H. C. Hawthorne & Co., treasurer; Lewis Bishop, New England Mutual Life, assistant treasurer, and A. L. Baker, Massachusetts Mutual, and John J. Roth, Retail Credit Co., executive committeemen. W. T. May, Massachusetts Mutual Life, was named program chairman.

Des Moines A&H Agents Elect

Byron Hart, Pacific Mutual Life, has been elected president of Des Moines Assn. of A & H Underwriters. He succeeds A. B. Coonce, Washington National.

Robert Allen, Connecticut General, is vice-president and Frank Gibson, Des Moines Casualty, secretary.

Ia. Traveling Men's in New H. O.

Iowa State Traveling Men's has moved into its new home office in the Savings & Loan building, Des Moines. The company is now celebrating its diamond anniversary.

training period in the western department at Freeport, Ill., he served three years as a special agent and during that time was active in Illinois Fire Underwriters Assn. activities, heading the catastrophe committee. He is a graduate of Cornell College of Iowa.

Hyde Promoted by Springfield F. & M., Named Me. Special

The Springfield companies have promoted William D. Hyde from special agent at Portland, Me., to superintendent at the home office with duties in connection with multiple-line underwriting and named Ernest F. Todd Jr. his successor at Portland.

Mr. Hyde joined the companies in 1938 and was in underwriting at the home office and at New York before being named a special agent at Philadelphia. After military service he went to Portland.

Mr. Todd was formerly state agent in Maine of Aetna Fire group.

J. R. Mitchell Goes With Local Agency at Chicago

John R. Mitchell, North British state agent for eastern Illinois and Chicago, has joined the Facktor agency at Chicago.

Mr. Mitchell, who has been in the forefront of field men's activities, is custodian of Illinois Blue Goose. He has served on the executive committee of Illinois Fire Underwriters Assn. and Illinois Fire Prevention Assn., and for some time has been in charge of arrangements for IFUA meetings.

Before going with North British in 1951 Mr. Mitchell served four years with Scottish Union and 11 years with Hartford Fire. The Facktor agency is located at 8705 Commercial Street in Chicago.

Mulvihill, Gray Are Shifted by American

American has transferred special state agent of Agricultural group, to the home office and moved Special Agent David P. Gray from Bethlehem, Pa., to Buffalo, where he will be associated with Special Agent Robert J. Thompson. He has been with the company since 1951.

American Names Shafer Montana Special Agent

American has appointed Richard G. Shafer special agent in Montana, with headquarters in Great Falls.

Mr. Shafer joined American in 1947 and spent several years in the Pacific Coast headquarters. For the past year he has been special agent in the San Joaquin valley.

W. D. Miller to Md. for Agricultural

Holland E. Miller of Baltimore, state agent of Agricultural Group, will retire late this year. W. Darby Miller, who is not related, has been transferred as state agent from Des Moines to Baltimore to share the work with Holland Miller until the latter retires.

Watson Named by Scales

T. W. Scales & Co., managing general agency of El Paso, has appointed Robert L. Watson as assistant manager at Albuquerque and special agent in New Mexico. He will assist George P. Walter, Albuquerque manager.

Mr. Watson started in the local agency business at Albuquerque while he was attending the University of New Mexico, and after graduation went with Mountain States Inspection

NEWS OF FIELD MEN

North British Shifts Illinois Field Men

North British group has appointed Richard R. Savage state agent for central Illinois, replacing John R. Mitchell who has resigned to enter the local agency business at Chicago.

At the same time State Agent Earl H. Hazen is being transferred to the northern Illinois field, replacing State Agent John J. Flood, who has been assigned to supervision of Cook county, Ill., and Lake county, Ind.

State Agent Eugene F. Conour will continue to supervise practically the same territory he now does in southern Illinois.

Mr. Savage was with Illinois Inspection Bureau for more than four years when he joined Hanover Fire as field man in Illinois. He then engaged in the local agency business at Peoria until recently when he joined North British. He will have offices at Peoria.

Mr. Hazen joined North British eight years ago as automobile superintendent and in 1950 was appointed state agent. He will continue headquarters at Chicago.

Mr. Flood has been with the group more than 26 years and has been with the Chicago branch almost all that time. He will continue his headquarters there.

Mr. Conour's service began in 1937, and he has been associated with the Chicago office continuously. His headquarters continue at Springfield.

Security-Connecticut Makes Field Changes, Opens New K. C. Office

Security-Connecticut group has named Robert E. Trahey special agent for Detroit and southeastern Michigan; Virgil F. James underwriter at Oklahoma City; Ronald J. Maver underwriter at Denver, and James E. Harper state agent and James Owen underwriter at a new office in Kansas City.

Mr. Trahey was formerly with Continental Casualty, two mutual companies and McCormick Spice Co. He will be associated with George Haage, manager at Detroit.

Mr. James was with Zurich and other companies before joining Security. He will serve with J. W. Crist, manager at Oklahoma City.

Mr. Maver has been with Laadt & Co., Chicago, for the past two years. He will serve under J. L. Vorse, manager for Colorado, New Mexico and Wyoming.

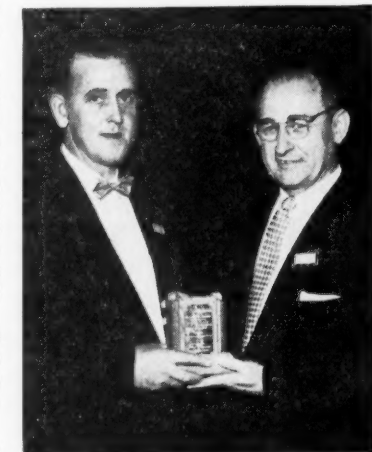
Mr. Harper was formerly with Home

Indemnity and the Bruce Dodson agency. Mr. Owen was with Central Surety.

The Kansas City office, under the joint management of Emil P. Janousek and Joseph C. Hupp, will service all agents in Kansas and Missouri. Charles B. Frazier will continue as state agent.

Ohio Service Award Go to Frank R. Middaugh

Frank R. Middaugh, assistant manager of Ohio Inspection Bureau, was awarded the H. N. Coldwell trophy



William L. Venable of U. S. F. & G. (left) presents the Coldwell trophy to Frank R. Middaugh at the annual meeting of Ohio Fire Underwriters Assn.

given by Ohio Fire Underwriters Assn. for outstanding service in behalf of stock fire insurance at the annual meeting of field men at Uniontown, Pa., last week.

The award was established in 1949. Mr. Middaugh, who attended Ohio State University, joined the inspection bureau in 1921. In the last several years he has spoken on technical and educational subjects in the insurance field throughout Ohio before agent, field and insurance women audiences.

Erickson to Local Agency

Gordon J. Erickson, special agent for Crum & Forster in central Illinois with headquarters at Decatur, has resigned to join the Roby agency there.

Mr. Erickson was in advertising work before joining Crum & Forster about 4½ years ago. After an initial

Bureau at Denver. More recently he has been special agent in New Mexico for Royal-Liverpool group.

Wilbur Scott Heads Ind. Fire Underwriters

Indiana Fire Underwriters Assn. at its annual meeting last week at Culver elected Wilbur F. Scott of Home as president to succeed Harold A. Stevens of Security of New Haven. Jesse E. Miller, Ohio Farmers, is vice-president, and Elizabeth S. Cooper was re-elected secretary. Named to the executive committee were Terry Carpenter, Travelers Fire; Ira E. Bain, Home, and James A. Knight, Phoenix of Hartford.

Ralph G. Tanger, assistant secretary of Security of New Haven, was the principal speaker, his subject being "Insurance Today and Tomorrow." There were 135 field men and wives at the banquet. Other social activities included water sports, golf, and a garden party.

Last week THE NATIONAL UNDERWRITER incorrectly identified the new officers of Indiana Fire Prevention Assn. as the officers of Indiana Fire Underwriters Assn.

Ohio Field Men Elect Zipp and Weber

Ohio Fire Underwriters Assn. and Ohio Fire Prevention Assn. held their annual meetings and Outings at Uniontown, Pa., last week.

The fire underwriters elected F. I. Zipp, Hartford Fire, as president; Davis Zeiser, Great American, vice-president and W. L. Venable, U.S.F.&G., as secretary-treasurer. Helen Earl of Columbus was re-elected executive secretary, and Robert Hill, Home, was named chairman of the executive committee.

Newly elected to the executive committee are Thomas Hutch, American; Lawson Wiggins, Great American; Eugene Walworth, Springfield F. & M.; James Work, Ohio Farmers, and William Gibson Jr., North British.

Frank J. Weber, Loyalty group, was named president of the fire prevention association, with James Work as vice-president and Robert Cogan, Royal Exchange, secretary-treasurer. Karl J. Krug, St. Paul F&M., was elected chairman of the executive committee, and Helen Earl is executive secretary.

To Me. for the Boston

Boston and Old Colony have appointed J. Frank Harrison multiple line special agent at Portland, Me., where he will be associated with state agent Paul E. Goode. After marine corps service, Mr. Harrison went with the Boston in 1953 and recently completed advanced training in all departments.

Loneragan Named in Minn.

James R. Loneragan has been appointed state agent in northern Minnesota for Royal-Liverpool group with temporary offices in Minneapolis. He replaces Warren E. Zapp who has gone into the local agency business.

Mr. Loneragan has been in the field for five years with other companies.

Cal. Pond Names Dunn MLG

California Blue Goose pond at its annual meeting elected Milton S. Dunn, Gulf, as most loyal gander; Charles H. Fierce, Oregon, supervisor; Bryan Tickner, General Accident, custodian; Charles Rossier, Loyalty group, welder; Robert Jackson, keeper, and Patrick Davos, guardian.

W. Va. Blue Goose, Auxiliary Elect

West Virginia Blue Goose at its annual meeting in Uniontown, Pa., elected Bernard F. Flood of Royal-Liverpool, MLG; J. P. Warek of Hanover, supervisor; W. T. Nickerson of John Roane adjusting firm, custodian; C. C. Eaton Jr. of New Hampshire, welder; C. H. Pike of Alfred S. Paull & Son, guardian, and J. W. Campbell of Fred C. Campbell & Son, keeper.

Robert L. Wiseman of Washington, D. C., grand supervisor, gave the oath of office. The general agencies of Campbell, Paull, and Calley & Clark were hosts at a cocktail party before the annual banquet.

The ladies auxiliary of the pond elected Mrs. B. F. Flood president, Mrs. D. T. Fuller vice-president, Mrs. W. T. Nickerson secretary, and Mrs. John Shannon treasurer.

Mr. Flood was MLG of the Ohio pond in 1931.

Sullivan Reminds Insurers of New Wash. Exam Fees

Commissioner Sullivan of Washington has sent out a notice to insurers reminding them that the Washington law has been amended to require that each application for a first license examination must now be accompanied by a fee of \$3 and that for each examination the charge is \$2. Thus a person desiring to take this first examination will be charged \$5, and the cost of any subsequent examination would be \$2.

Allstate Foundation Gives \$117,500 for Driver Education

Twenty-eight grants, totalling \$117,500, have been presented by the Allstate Foundation to colleges and universities throughout the country in the 1955 program to provide training courses for high school driving instructors, according to Calvin Fentress Jr., foundation president. The college grant program was initiated in 1953 to aid in providing the trained instructors necessary to the nation's high school driver program.

As a result of the Allstate Foundation grant program last year, more than 400 teachers who received scholarships initiated or expanded driver training classes in their high schools. Approximately 35,000 high school students and 5,000 adults completed courses in these classes.

General F. & C. Names Milton at Philadelphia

General Fire & Casualty has named William H. Milton special agent at Philadelphia. He was formerly with Pennsylvania Manufacturer's Association Casualty and has 14 years of experience in the business.

VanLeeuwen Named in Michigan

William H. VanLeeuwen has been appointed district manager for Hardware Mutuals in Michigan with headquarters in Grand Rapids. He succeeds R. W. Steiner who has gone with General Fire & Casualty at Chicago. Mr. VanLeeuwen has been manager at Richmond, Va., for Hardware Mutuals for two years. He has been succeeded at Richmond by H. C. Allen Jr.

Woman Heads N. J. Local Board

Mrs. Elizabeth Schenck of Metuchen, N. J., has been elected president of Middlesex County Assn. of Insurance Agents. Other officers elected are John Kabolski of South Amboy and Edward McDermott of New Brunswick, vice-presidents, and Vernon T. Brown of Perth Amboy, secretary-treasurer, reelected.

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N. Y. State Fund Cuts DBL Rates 10%, Other Companies May Follow

New York State Fund has lowered disability benefit liability rates 10% because of favorable experience, effective July 1. Companies have been discussing a change in rates, but no plans have been made to do so.

The change is based on payroll and the sex of the employee as in the past. Present rates are \$.50 for males and \$.84 for females.

Mountain States Casualty Men Hear Beery at Denver

Commissioner Beery of Colorado talked on developments at the NAIC meeting in Los Angeles and his approach to current problems effecting Colorado insurance in an address before Mountain States Casualty & Surety Assn. in Denver. This was the last meeting until the fall.

The commissioner said Colorado has a good surplus line law and that he is putting emphasis on finding out where all the surplus line business is going to be placed. Mentioning dealers block

and commercial floater policies, he said the Colorado department is attempting to get a foundation that is sound enough under all risk coverage to insure a more accurate loading in the judgement factor.

Peter J. Walsh, president of Colorado Insurers Assn., also spoke, urging the company men to help the agents set up a joint effort to police appointment of agents. He said the agents "will not ask you to pick up an appointment, but we will call it to your attention."

Dupree Joins Marbury for Ocean Marine, Cox Claims Manager

William A. Marbury & Co. has appointed Joseph T. Dupree Jr. manager of its new ocean marine department in New Orleans.

Will N. Cox has been named claims manager for Manufacturers Casualty at its newly opened claims office in Lake Charles, La. Marbury & Co. represents Manufacturers Casualty. Before joining Manufacturers Casualty Mr. Cox served as an adjuster with the Lake Charles office of Crawford & Co. The company now offers complete branch office claims facilities to all sections of Louisiana.

U. S. Publication Outlines Coverages Businesses Need

WASHINGTON—The *Business Service Bulletin* No. 125, published by the Department of Commerce and small business administration, provides a full discussion of what a business needs to do to build an insurance plan.

The bulletin explains that a plan is necessary for any business, large or small, and that none can afford to rely on a collection of insurance policies—each purchased without regard to the others and without regard to a basic program—which may furnish only hit-or-miss protection. Lack of an over-all basic program in such an important feature as insurance protection may be disastrous to the success and survival of a business.

There is, unfortunately, the bulletin reports, no mathematical formula for an adequate basic insurance program. There is no substitute for sound judgment based on a detailed knowledge both of insurance and of the financial risks of the business.

If an analysis of insurance needs is to produce dependable results, the study must be approached with a definite perspective, the 12-page pamphlet states. It is essential to recognize that the function of insurance is to conserve the resources and earning power of a business.

The owners—stockholders, partners or an individual—are the real beneficiaries of insurance because uninsured losses ultimately come out of their pockets through reductions in profits or depletion of assets. Therefore, the objective narrows down to determining the particular forms and amounts of insurance needed by the owner.

In discussing fire insurance the bulletin says a business should determine insurable values, depreciation and the amount of inventory.

It emphasizes the importance of having fidelity, crime and steam boiler and plate glass insurance.

The bulletin, in discussing U. & O., points out that sales may be stopped or greatly reduced, and such losses may prove very serious to the business. A major interruption plus the loss of earnings for a long period could even prevent a store from re-entering business.

Liability and workmen's compensation are also explained.

Selection of proper insurance counsel is almost important step, the bulletin comments, and a business should select the best available broker or agent.

Copies of the *Bulletin* may be obtained from the Department of Commerce, Washington, 25, or from its field offices or from small business administration field offices.

Mich. State Fire Fund Rules Are Revised

LANSING—Gov. Williams has signed a bill substantially changing the Michigan state fire fund. Effective immediately the minimum balance to be maintained is \$250,000 instead of \$1,750,000, and loss payments of no more than \$50,000 will be allowed without specific consent of the legislature or emergency appropriations commission. In the case of larger losses \$5,000 is automatically released to take care of immediate expenses.

A greater measure of direction of the fund is given the administrative board rather than the rating division of the insurance department.

An earlier modification of the law had eliminated the mandatory features under which all state property had to be covered in the fund. It is now possible to put business with private companies.

Chambers Named V.P.

John E. Chambers has been promoted to vice-president in charge of underwriting and production for Olympic and Marathon of Los Angeles. He started in 1934 with Motors, and joined Marathon at Dallas in 1947 as assistant state manager. He transferred four years later to Los Angeles as manager of production for Marathon and Olympic.

New Hand-Book Out for West Virginia

A new, up-to-date *Underwriter's Hand-Book of West Virginia* has been published by The National Underwriter Co.

It provides complete information on agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new hand-book may be obtained from The National Underwriter Co., 420 East 4th street, Cincinnati 2. Price—\$12.00 each.

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Morrison's Suggestions for Atomic Age Insurance

(CONTINUED FROM PAGE 15)
or reflect the narrow spread of risk. Such judgment rates should be accepted by state insurance departments. In this area, some compliance with federal standards will undoubtedly have to be met.

7. A policy board should be set up representing all sections of the insurance business, including buyers of insurance, to work out policy forms and contracts to meet the needs of the atomic age. This group must be motivated by a positive outlook—their aim should be how to write protection, not how to avoid liability.

8. State and federal laws should be passed putting a ceiling on the amount recoverable for damage to third parties from contamination by radioactivity. They would be similar to present statutes limiting damages for causing accidental death and to the Warsaw convention, which fixes the upper limit for each claim in the case of an aviation disaster. A parallel can be drawn with protective tariffs. This is admittedly a reversal of the present trend to broaden the basis and extend the limits of damage in cases of third-party liability. But even if they be only temporary, such laws are necessary in the early days of growth and development.

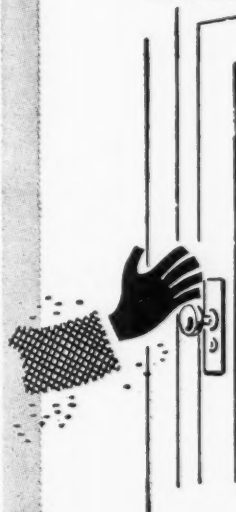
9. A basic long-run factor in keeping losses at a minimum is teaching

the community to work and live in a world where radioactivity is an ever possible danger to life and health. Society has successfully learned how to live with fire. Just as society starts at an early age to teach children to control and respect fire and handle it in their daily routine, they must be taught now to live with radioactivity. A program to this end should be started throughout the school system at once, beginning at the very earliest grades.

This is the best antidote against panic and malingering, two patent and definite threats to the loss ratio of the future. Examples of this possibility are beginning to appear. In one New England plant using radioactive isotopes, a wave of panic sweeps through the plant at intervals, based on the rumor that over-hot radioactivity is present. Management finds it must immediately call in engineers and doctors to test, examine and allay fears.

10. And finally, thought must be given to changing the entire climate of public opinion as to what constitutes the amount of security that is necessary for happy living. From a people of rugged individualists who were ready to take a risk, U. S. citizens have rapidly been changing into a people who want insurance protection and security at every stage of their lives. The atomic age offers no possibility of such security—at least not in its early stages.

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Health Council Survey Results Shown

(CONTINUED FROM PAGE 1)
pendents. For surgical expense protection, the figures were 36,462,000 and 49,428,000, respectively; and for regular medical protection they were 21,527,000 and 25,721,000. Both primary and dependents' protection is provided by all three types of insuring organization.

The rapid growth of hospital, surgical, and regular medical expense insurance during 1954 was a continuance of spectacular trends that have been in progress for more than a decade. The annals of American business contain few parallels of the record made.

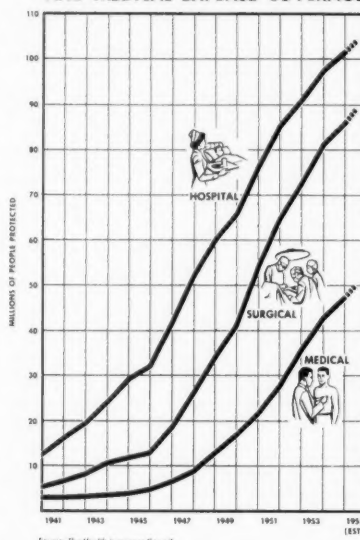
Since 1941, the number of persons with hospital expense protection has increased more than eightfold. For

surgical expense protection, the number of persons with coverage has multiplied over 16 times. Regular medical expense protection was still in an experimental stage for the first few years, and the number covered increased slowly from about three million at the end of 1940 to 3,840,000 at the beginning of 1945. In the 10 succeeding years, however, the number covered has multiplied by more than 12.

During 1954 the number of persons with major medical expense protection nearly doubled—increasing by 83%. In general, this newest and broadest form of voluntary health insurance is designed to protect against the financial impact of unusually serious and expensive illnesses and injuries.

Ordinarily, major medical pays

GROWTH OF HOSPITAL, SURGICAL AND MEDICAL EXPENSE COVERAGE

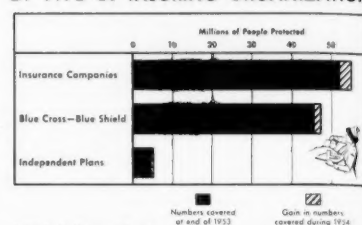


Source: The Health Insurance Council

end of 1954, 1,929,000 persons were protected on a group basis (including the coverage provided by the two Blue Cross-Blue Shield plans). The remaining 306,000 persons were protected by individual insurance-company policies. Of the total protected, 927,000 had primary coverage while 1,308,000 were protected as dependents.

Remarkable as has been the growth of major medical, insurance company

DISTRIBUTION OF HOSPITAL EXPENSE COVERAGE BY TYPE OF INSURING ORGANIZATION



Source: The Health Insurance Council

experts widely believe that even more striking development will be seen in the near future. Blue Cross-Blue Shield officials also are giving increasing

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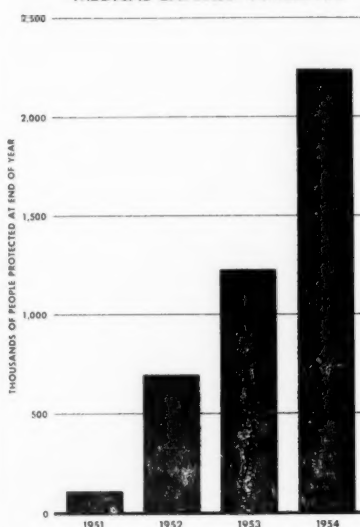
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benefits whether hospitalization is involved or not. The protection starts, broadly speaking, where the customary hospital, surgical, and regular medical expense coverages leave off. However, in some instances, a single comprehensive major medical expense policy is issued that combines major protection with protection roughly equivalent to that usually provided by the three customary types of coverage.

Through 1953, all major medical was issued by insurance companies. However, during 1954 two Blue Cross-Blue Shield plans commenced experimenting with subscription contracts providing benefits in many respects

GROWTH OF MAJOR MEDICAL EXPENSE COVERAGE



Source: The Health Insurance Council

similar to those under the insurance-company policies. An accompanying chart takes account of the protection furnished by insurance companies and by these two plans; but it does not reflect the less similar but nevertheless substantial protection provided by some other insuring organizations. In general, the protection furnished by such other organizations is more in the nature of very liberal hospital, surgical, or regular medical expense coverage of customary type (and it is accordingly included in the figures previously presented for these forms of health insurance).

Of the 2,235,000 persons with major medical expense protection at the



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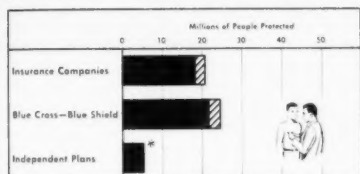
attention to the possibilities of this new type of protection. Historically, as an accompanying chart illustrates, new forms of health insurance have won public acceptance at an accelerating pace.

The remaining branch of voluntary health insurance—protection against loss of income on account of illness or injury—is the oldest, having been in existence for more than half a century. Such insurance is available only to income producers, as the ill health of dependents obviously does not spell a loss of income for the family.

Many people may tend to think of health insurance as being mainly insurance against hospital, surgical, and other bills for the treatment of ill health. But protection for the family breadwinner against loss of earning capacity can often be of greater importance. In cases where sickness or accident causes loss of income, the amount involved is frequently much more than the hospital and doctor bills which result.

At the end of 1954, an unduplicated total of 38,904,000 workers had loss-of-income protection through the policies and plans shown on the above chart. The millions of employees who have some measure of loss-of-income

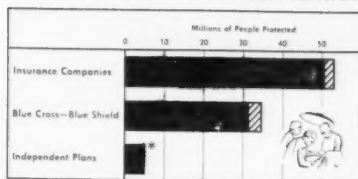
DISTRIBUTION OF MEDICAL EXPENSE COVERAGE BY TYPE OF INSURING ORGANIZATION



protection through informal wage-continuation practices of their employers, however, are not represented on the chart.

Insurance companies are active in providing loss-of-income protection on both a group and an individual policy basis, as another accompanying chart shows. Paid sick leave plans and other plans—comprising union-administered plans and employee mutual benefit associations—also provide such

DISTRIBUTION OF SURGICAL EXPENSE COVERAGE BY TYPE OF INSURING ORGANIZATION



protection. Blue Cross-Blue Shield and the independent plans mentioned earlier, however, do not offer loss-of-income protection, and hence are omitted from the chart.

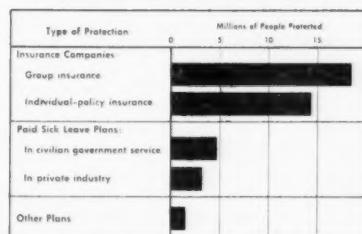
During 1954 an aggregate of \$2.7 billion was paid to (or on behalf of) beneficiaries—11% more than in 1953, the previous high. Insurance companies paid \$1,520,000,000 in benefits, Blue Cross-Blue Shield paid \$1,045,000,000, and the independent plans, \$145 million.

Hospital benefits paid by all insuring organizations in 1954 came to \$1,445,000,000, while surgical and other medical benefits totalled \$735 million. Loss-of-income benefits came to \$530 million (insurance companies only).

Actually, there are several reasons why the purpose of health insurance should be conceived as a more modest one. For instance, relatively small or regular recurring items of expense can be better met by family budgeting than through insurance. Again, considerable numbers of the American people do not need health insurance protection—members of the armed forces, for example, who receive needed care directly from the government. Further, insurance is not practical against some health expense items of a quasi-luxury nature—such as the extra cost of hospital care in a private room.

For such reasons the aim of voluntary health insurance is described by the council as being "to provide timely benefits in sufficient amount to pre-

EXTENT OF LOSS OF INCOME PROTECTION, DECEMBER 31, 1954



vent ill health and accident from leading to financial hardship. The effectiveness of voluntary health in insurance in achieving this goal cannot well be measured by statistics alone."

In addition to the types of voluntary health insurance considered in the council survey, the following important forms of protection may be listed:

Personal accident insurance policies in force at the end of 1954 numbered over 4 1/2 million, protecting against death, dismemberment, hospital and medical expense, and loss of income, in case of accidents generally. In addition, there were about 15 million other policies in force providing protection against travel or other specified type of accident.

Group accidental death and dismemberment insurance is purchased by

many employers as part of their employee group insurance programs. About 14 million individuals were protected by such insurance at the end of 1954.

Life insurance, which protects about 93 million Americans, provides proceeds which are often used to meet the expenses of the insured person's last illness. Also, many policies provide monthly benefits in case of permanent and total disability.

Liability insurance policies often contain provisions paying hospital and medical benefits to persons injured in the policyholder's car or on his business or residential premises, even in

the absence of liability. Death, dismemberment, and loss-of-income benefits are also provided.

Workmen's compensation legislation, usually through insurance written under it, protects about 45 million workers in the U. S. against the expenses and income loss due to occupational accident or disease. Workmen's compensation insurance policies often go well beyond statutory requirements. Apart from the aforementioned 45 millions, additional numbers of workers are protected by their employers' legal liability. Insurance protection against such liability is often purchased by employers.

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Virginia Agents Hear Kinzer Success Story

(CONTINUED FROM PAGE 5)
cal damage claim.

One insured came in and said he had a boy in service who had purchased a car. He had been buying his insurance in a cut rate company. Mr. Kinzer suggested he go to that cut rate insurer and ask for accommodation. The man said he already had done so but he could not get his boy in. This particular incident ended up with Mr. Kinzer taking over four policies

for the man who was looking for help at a difficult time and got it.

Mr. Kinzer has made friends of good garages. He cultivates personnel and sells them insurance. They service Mr. Kinzer's claims. He pointed out that often a garage can kill a sale or make it for the local agent. Such a relationship with a good garage improves the adjustment and shortens the time it takes to make it.

The garage cannot be given a free hand, he noted, but if the relationship is developed properly, it can prove very helpful to the agent.

He admitted that he occasionally loses a piece of business to a cut rate company but said this happens very seldom. The public gradually is learning about poor claims service, he said.

He urged agents to take advantage of the aid and help offered by their companies. Agents should use the field men, he said. One way he finds helpful is to show his company field men blueprints of a building under construction so that modifications can be made before the building is completed in order to achieve a lower fire rate. This has helped him make new sales.

Why don't direct writers give such service, he asked? It is because their representatives have to spend all of their time selling, he believes. He noted that one of his competitors with a cut rate company has a contingent so that every claim or loss that he gets he resists because he feels that it is money out of his pocket.

In summing up, he said that he believed the local agent can be successful if he is available, if he has an attractive, comfortable office, if he has a personable office worker, if he is active in civic affairs, in local charities and the church, if he remembers anniversaries and occasions important to his clients, if he services assigned risks, etc. Mr. Kinzer does free notary work for his clients, he writes letters for policyholders and they spread the word about him, he fills out all necessary claim papers, he dabbles in politics and acts as a judge at election, and he has developed a premium lay away plan for teachers who get paid only for nine or ten months of the year. Services of this kind will help the local agent on the road to success.

The association has asked Virginia Insurance Rating Bureau for the filing of one standard form for the package policies that have been developed in the home owners' field, the casualty committee reported. This was after a joint discussion with the fire and allied lines committee. In the fire and allied lines committee report, it was noted that the committee recommended the insurance commissioner approve of the homeowner's policy A, B and C and approve also the all physical loss form. The committee also recommended there be no minor deviation from these types of contracts. It feels that a multiplicity of policies with minor variations would seriously confuse and disrupt the orderly approach to the insurance business in Virginia.

The hail committee report was a lengthy one which called attention to the fact that hail insurance has grown into a big business in that section of the country. However, it is becoming more difficult each year for the tree fruit writing agents in the apple and peach belt to find facilities for placing the business. There is also a tight market for tobacco in the big tobacco raising counties of Pennsylvania and Halifax. The company view apparently is that the liability is too concentrated. With limited reinsurance available, a limit of liability per acre is being used which agents claim is far below the crop value. Especially on tree fruits this limit is below the actual cost of production, according to the report.

The committee asked for the support of all agents in the state in solving this problem.

In connection with the problem,

reports were circulating at the convention of a bad hail storm, on the Saturday preceding the convention, in the Halifax county tobacco growing area and in and around Winchester, which produces a lot of peaches and some apples. The loss was estimated in the Winchester section at \$200,000.

Among company executives on hand from head offices were J. M. Fraser, vice-president of London & Lancashire Indemnity, and George Peacock, vice-president of Agricultural group.

Crashed Brazilian Plane Not Covered in U. S.

A four-engine Constellation of Panair de Brasil line, which crashed in Paraguay, killing 14, is expected to cost Brazilian insurers and the London market between \$1 million and \$2 million for the hull alone. Apparently no part of the loss was covered by U. S. insurers.

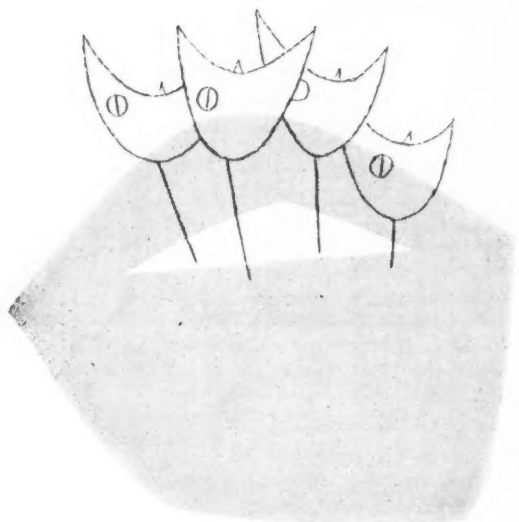
Brazilian law makes it compulsory for all coverage above the limits set by the government to be reinsured through the Brazilian Reinsurance Institute, which in turns spreads the risk over other markets.

AFIA Fetes London Underwriter

L. K. Sweet, marine underwriter of Phoenix of London and chairman of the Institute of London Underwriters and executive committee member of International Marine Union, was given a luncheon in New York by American Foreign Insurance Assn. Frank A. Christensen, president of America Fore group, was host. Others attending included H. Lloyd Jones, U. S. manager of the London insurer, and AFIA General Manager James O. Nichols.

Directors of Fireman's Fund have declared a quarterly dividend of 45¢ payable July 15 to stock of record June 30.

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A&H Agents Table Motion Requesting FTC Action

(CONTINUED FROM PAGE 11)

tolerance, integrity, gregariousness and enthusiasm.

"Where do we go from here?" asked William Highfield of Insurance Research & Review Service, Indianapolis, in his address. He was introduced by Mr. Osler. In answering the question, Mr. Highfield said, "Our future is in your hands." Training and education are important, he said, so people in the business can in turn educate the public. "It seems to me that it all boils down pretty much to this: The sickness and accident industry must awaken to its public-service role." He stressed that continuing income is the most important thing in life.

An especially inspiring highlight of the meeting was the address by Rev. Robert E. Richards of Long Beach, Calif., who won fame as an athlete. His theme was "heart of a champion."

E. J. Faulkner, president, Woodmen Accident and Life, introduced the two speakers on legislation, Robert Neal, resident counsel in Washington for the bureau and the conference, and E. H. O'Connor, managing director, Insurance Economics Society.

Mr. Neal summarized federal investigations and legislation and reviewed the current situation. He said that a long-range industry program should receive the greatest emphasis.

He reported that further liberalization of social security has been recommended, which is most important. It contemplates an age reduction for women, and immediate benefits for disability.

With FTC, Mr. Neal said the legal question of jurisdiction becomes the primary area of development. On the reinsurance bill, he said there is a division of opinion and those against it do not find it easy to oppose an administration dedicated to utilization of private enterprise. Cooperation between the states and the industry, he declared, will give strength and unity to relationships with the federal government.

In discussing "A Good Neighbor Policy," Lester O. Schriver, managing director, National Assn. of Life Underwriters, said that at long last it is beginning to dawn on the life insurance industry generally that accident and sickness insurance is as essential to a financial program as life insurance.

"We need a better trained field force," he said. "They, after all, are our public relations people and the public knows just about as much as the agent tells it."

Speakers at the final session were Travis T. Wallace, president, Great American Reserve, whose subject was "Your Greatest Asset," and Dr. L. Elmer Hess, Erie, Pa., new president of the American Medical Assn.

There was special entertainment each day, starting with a pre-convention get acquainted party. Evening entertainment included a boat trip on the San Antonio river for dinner and entertainment in "South of the Border" style, and evening eats the next day were enjoyed at the Pearl Brewery. Special entertainment for the ladies, in charge of Mrs. Rachel E. Malone, American Hospital and Life, San Antonio, included a luncheon and style show.

Convention Chairman O. D. Harlan was "toastmaster" at the roundup

breakfast for early registrants.

The past presidents' breakfast also was on the last day. Past presidents registered at the convention, in addition to Leonard A. McKinnon, the latest, included Tom Callahan, elected in 1953; John G. Galloway, 1952; Carl A. Ernst, 1951; R. B. Smith, 1946; E. H. O'Connor, 1938; Armand Sommer, 1934.

The convention ended with the annual dinner, at which the new officers and the "Man of the Year" Harold R. Gordon memorial award were presented.

N. Y. Plans Two Changes In Industrial Code

The board of standards and appeals of New York state labor department is holding hearings for the purpose of revising the automatic sprinkler code, which has not been revised since 1918, and the code which covers construction of mercantile risks.

The principal change proposed in the automatic sprinkler code is to require approval of plans for new work by the labor department before installation. Sprinkler systems would also

be tested and inspected after the work was done. Changes proposed in the mercantile code include liberalization of requirements for floor areas under different types of construction, simplification of general exit requirements and those dealing with ornamental stairs.

Eager Marine Special Agent of Phoenix, Conn.

Phoenix of Hartford group has named Bainbridge Eager marine special agent for Maryland, Delaware and District of Columbia. He will make his headquarters with State Agent Ray J. Billingham in the Totman building at Baltimore.

Ga. Assn. Watches Premium Tax Bill

Georgia Assn. of Insurance Agents has alerted its membership to the proposed increase in premium tax of foreign insurers from 2% to 2½%, and of domestic companies from ¼ of 1% to ¾ of 1%.

P. M. Lancaster, representing National Board, appeared before the house ways and means committee to

explain that the percentage taxes are not the only taxes on insurers in the state. Various other premium, license, franchise and agency taxes, in addition to the new 1% tax for firemen's pensions, costs fire companies an average of 6% to 6½%, state and local, he said. The bill has passed the house and has been approved by the senate finance committee.

New Mayflower Offices in Ohio

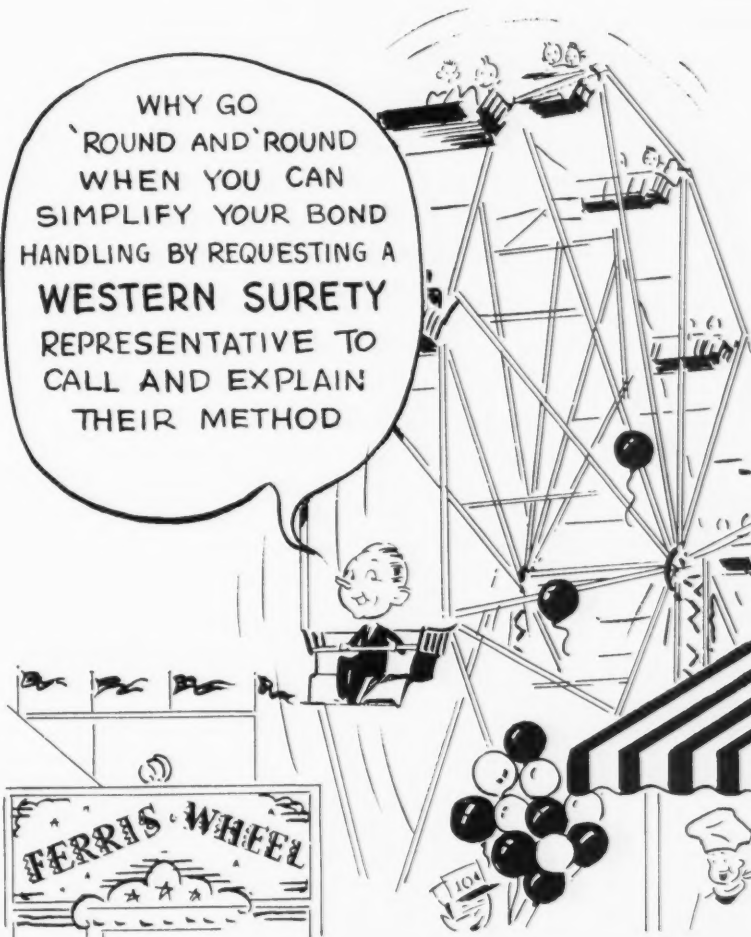
Mayflower of Columbus has opened offices at Toledo and Massillon, O. Stanley L. Deitchle, state agent, is in charge at Toledo serving northwestern Ohio. At Massillon, Harold Hartman, state agent, will handle northeastern Ohio.

The Dayton office has been moved to 2013 Charles Street, Springfield, with Burgess L. Elliott, state agent, in charge. This office covers southwestern Ohio. The company also has an office at Cleveland with E. C. Cook, vice-president, in charge.

R. W. Meyer has purchased the interest of J. F. Memmel in the Memmel agency at Booneville, Mo., with which he has been associated for 22 years. The agency is now the R. W. Meyer agency.

PEPPY FREDDY, the fieldman, says:

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A fast growing Mutual Fire & Casualty Insurance Company operating in the Mid-Western States has excellent opportunities for experienced multiple-line fieldmen. Will locate in Indiana and other Mid-West territories. Age 25-35. If interested reply to—F-54, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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to headquarter in Minneapolis-St. Paul, Minnesota. Fire and Marine experience necessary. Must specialize in Marine and Heavy Equipment losses. Address F-49, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SPECIAL AGENT—Pennsylvania

Old established Stock Company has opening for experienced Field Man. Write giving full particulars. MERCHANTS FIRE INSURANCE COMPANY OF DENVER, Eastern Department, 211 Pine St., Harrisburg, Pa.

Pinpoints Unnecessary Expense in Agency Selling

(CONTINUED FROM PAGE 17)

the acceptance of which goes beyond the dictates of selfish interest and narrow underwriting policy."

However, some agents take advantage of this willingness to badger the agency companies into accepting more accommodation business than they can afford to handle. Such practices, he commented, have a definite effect upon both loss ratio and expense costs.

Paralleling the problem of accommodation lines is the request by agents to settle claims where there is no coverage or where there is a serious question as to the justification for the claim, or there is an inflated settlement being demanded. Agents usually ask for these things because they have other business lines for the policyholder or because the policyholder gives a large volume of business to the company. Too often these losses are not covered, and payment is demanded because of a failure by the agent to sell adequate protection, Mr. Deering charged. Every time a company pays a loss which is not covered, or for which it has no legal obligation, a cost has been added which must be absorbed in the rate structure, and this is the very type of expense the direct writer does not have to absorb because there is no agent to press for payment of such claims. Individual policyholders of direct writers can bring little influence to bear on the insurer.

Another expense burden, Mr. Deering said, is brought about by the failure of agents to secure complete information about risks. Agents often complain about underwriting rules and the information required to comply with them, but they do not remember that they are in the best position to secure the information necessary to underwrite properly. If the burden of securing the information is thrust upon the company, the company expense again goes up because it is up to the engineering department to get data that was available to the agent at the time the risk was solicited. If an agent fails to acquaint himself with the information required by companies, and the reasons why this information is necessary, they undermine the confidence the company has in them and add to the expense burden.

Other items which agency companies have assumed consist of such things as letterheads and envelopes supplied free and collect telephone calls to companies. Mr. Deering said there is an abnormal cost of correspondence because companies deal with "independent" agents instead of "captive agents, and none of these costs are assumed by direct writers, or if they are "it is in such minute degree as to be unworthy of notice." All of these items detract from the professional standing of the agent, and the agent must attain this standing if his system of marketing is to survive in competition with the direct writers. The agent must convince the public that he is worth the difference in premium which is the difference in acquisition cost.

As far as the difference in loss ratio between agency and direct insurers goes, the agency companies are within 3.6% of that of the direct writers "who have yielded to their own selfish interests and failed in their duty to the public," Mr. Deering said. Agency companies also, in spite of their expensive practices inherent in the agency system, still are within 3.6% of the operating expense ratio of direct writers, but "if the handicaps forced on the

agency companies by the agency system were eliminated, it is conceivable that the operating expense of the two types of insurers would be equal, or there would be little to choose between them."

Saying he sees no reason to apologize for the agency companies when considering operating expenses, even though more can be done to reduce costs, Mr. Deering said if anything is to be accomplished it would require the cooperation of all agency companies.

Ways to Increase Business Told to N. E. Agents

(CONTINUED FROM PAGE 1)

contracts, Mr. Kietzeman said many agents were missing the boat in not selling more of the unusual types such as rent and business interruption coverage. He said too many were sticking to the "bread and butter" lines.

He advised new agents to push time element contracts and to start with small risks and move on to larger risks as they become better acquainted with these lines.

Mr. Kietzeman pointed out that there are many opportunities to sell rent and business interruption insurance and that some agents considered the latter a necessity for big businesses only and a frill to small business. On the contrary, he said, it is often more important to the small businesses without protection as many have small working capital.

Mr. Parker, formerly with Liberty Mutual, said the company advertised that salesmen like himself were on salary but in the last year he was with that company 93% of his income was from new business he sold and 7% for his services.

He advised meeting direct competition through service and the personal touch and that whenever possible a local agent should delivery his renewals in person or keep in contact with insured by a personal note or telephone call.

Under the agency system, he said an agent can be the personal liaison between insured and the company in settling claims or going over insured's problems with the underwriters, but that no such thing could happen with a direct writer salesman.

He said a direct writer producer's job is to sell new business and he is not available in any sense and is in no way equipped to assist in the handling of claims.

He said if a specialty company wants to drop insured because of an accident, the salesman is not going to fight it as his renewal commission is too low and he can more profitably spend the time on new business. Mr. Parker also asserted that the almost constant shift of personnel of a direct writer leaves insured without any identity in the company.

He advocated that local agents conduct surveys to determine insurance needs of their clients, pointing out that this will build business and the agent's prestige.

The New England Advisory Board Sunday named a four man committee to choose the site for the 1957 summer annual. Chosen were C. Prescott Hoffman of Brattleboro, Vt., Robert F. Babcock of Keene, N. H., and Edward S. Pike of Rutland, Vt., chairman, vice-chairman, secretary and treasurer, respectively of the board. The 1956 summer meeting is slated for Wentworth by the Sea.

Bankers L. & C. Counsel Blasts FTC Ad Case

(CONTINUED FROM PAGE 9)

case, Mr. Short averred. Even the woman who said she was entitled to make a profit on her policy (claiming \$150 for a doctor call even if it were a \$10 call) said she would not buy insurance on the basis of an advertisement alone.

The Bankers ads asked the reader to send in a coupon which requests Bankers to furnish "complete information" or "all the facts." By use of the coupon itself, the reader is told that the advertisement is not the complete story and that if he is interested he should ask for additional information, Mr. Short said.

The first contact an advertising reader has with Bankers is that he asks for more information, and there is nothing in the record to the contrary, Mr. Short said. The company gets its responses either by calls to radio stations or TV stations after an ad, by the receipt of coupons clipped from ads, or by cards sent in that are placed in buses and street cars. People who make these inquiries are interested in information about the company and its plan, and they are not necessarily buyers of insurance, he explained. Agents are sent out to furnish the additional information.

Bankers is selling a contract and not a product, he continued, and "you can't make a contract without a meeting of minds."

It would be impossible for Bankers to advertise all of its policies in one ad and to give complete information about them, and there is no law anywhere saying the company has to do so, he said. FTC is complaining about omission of limitations or exceptions in the policies.

The FTC case in no way ties any sale to any ad, Mr. Short asserted. All that can be said is that people were induced to ask for information. There is no conflict of evidence among the witnesses on the matter of purchase by reason of advertisements. The FTC case doesn't even touch on this, even by inference, he said.

"I couldn't have put in a better defense than Mr. Hays (FTC counsel) has up to now," Mr. Short said, adding the case is now complete and the record is all in favor of Bankers.

Mr. Short apologized to Mr. Laughlin for "the ignorance of the man who drafted this case" for FTC. The complaint implies deceit by the insurer and ignores the basis of insurance, its history and its importance to the public, he asserted. For example, FTC calls each renewal a new sale, and indicates that renewals are influenced by ads. There is no evidence in the record to show that each renewal is a new sale predicated on advertising. The charge in effect is that the company's own policyholders have been misled.

On the point in the charge stating that "pennies a day" might be misleading, Mr. Short said the witnesses were so discredited there is no evidence as to its meaning, although the cost of Bankers' policies is less than most of them gave as an answer. He wondered how it could be misleading and what there is to substantiate it.

He reiterated the argument he made at the original hearing that the ads are of a plan of insurance and not a single policy. Many of the phrases used in the charge refer to the plan and not a policy, but there is no distinction. The only mention of this in the record is that given by Bankers' officials. If there is any doubt in the mind of a prospect as to whether the ad covers a plan or a policy, it is covered when he sends in his coupon asking for complete information.

Even assuming the worst, that the phrases lifted out of context could cause injury to the public, Mr. Short said it is cured by the sending in of the coupons.

It is a "disgrace to have a record like this" (alluding to the FTC witnesses) in connection with a business vested with such a public interest, Mr. Short charged.

Rowan Special Agent of Pearl In N. E. Ohio

Pearl has appointed R. R. Rowan special agent in northeastern Ohio. He will assist C. B. Hawkins, manager at Cleveland for this territory.

Following air corps service Mr. Rowan joined Pearl's middle and southern department at Philadelphia. In 1949 he transferred to New York as examiner in the southeastern department.

Move to Raise Pa. WC

Legislation increasing Pennsylvania workmen's compensation and occupational disease benefits, length and total amount, has been approved by the house WC committee. Maximum weekly benefits would be increased from \$32.50 to \$37.50 for WC and OD. It is estimated that WC rates would go up about 15%.

Maximum benefits for partial disability would be increased from \$23 to \$27.50 a week, while minimum payments would be increased from \$12 to \$15.

The bills are backed by the state administration.

John M. O'Mara has resigned as assistant manager in Seattle for Sayre & Toso to join C. V. Starr & Co., surplus line brokers, for whom he will open a new office at Denver.

Argonaut Underwriters of San Francisco has been licensed in Washington. George B. Hill is manager of Washington operations.

N. C. Catastrophe Unit

Stock field men in North Carolina have set up a committee to move in quickly in event of catastrophes such as last October's Hurricane Hazel and see that processing of claims gets under way smoothly and promptly.

Formation of the committee was announced at the annual meeting in Greensboro of North Carolina Stock Fire Insurance Field Club. M. L. Fuller of Phoenix-Connecticut, Raleigh, heads the committee.

The principal speaker at the annual meeting was R. M. McFarland Jr., assistant secretary to Southeastern Underwriters Assn. He substituted for Commissioner Gold. Mr. MacFarland spoke on public relations work of stock fire companies.

The Welborn Colquitt trophy for outstanding service to Blue Goose was awarded to Newell Sapp of Greensboro.

Fourteen general personnel managers from Hardware Mutual's district offices will meet in Stevens Point next week for their annual conference. Coordinating the conference are W. H. Carroll and N. M. Bell of the home office personnel staff.

Bruce Ferguson, special agent of Royal-Liverpool group, addressed the June meeting of San Antonio Insurance Exchange, discussing recent changes of extended medical coverage.

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CROP HAIL — AUTOMOBILE, INLAND MARINE — PUBLIC LIABILITY

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- ☐ Send me the "Short Write" booklet.
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Multiple Line Facilities Offer More Profit

John Sutter struck gold at Sutter's Mill near Sacramento, California in 1848—just 34 years before the founding of Dubuque Fire & Marine.

But, old John S. might never have left home at all if he could have sold the multiple line facilities of Dubuque F&M. Chances are he'd have thrown away his pick and pan for the easier, surer profits of the Dubuque "packages."

Insurance agents everywhere are finding that consolidation of many policies in one Dubuque policy means less work, reduces overhead, simplifies policy writing and claim settlement, and that customers prefer it!

The Dubuque F&M man can help you. His experience in multiple line service can help you prospect new fields of profit. Write us today for details of our multiple line facilities.



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- HULL, P AND I, EXCESS CARGO
- PILOT, EXECUTIVE TRAVEL ACCIDENT

ALL UNUSUAL RISKS

533 S. Dearborn Street, Chicago 5, Illinois
Cable Enghur — Chicago

Continental Casualty Promotes Six at Chicago

Continental Casualty has made six new appointments in the casualty, fire and surety claim department.

Dorman C. Anderson was named assistant vice-president for casualty, fire and surety claims and will supervise adjusting personnel and the handling of special or unusual claims. He has been with Continental for 21 years.

Lief J. Locke was appointed general claim attorney for the department and Nathan L. Beck was named associate general claim attorney. They will supervise important litigation and advise the staff on legal matters. Mr. Locke has been with Continental since 1925 and Mr. Beck since 1923.

Paul E. Mathews was appointed superintendent of casualty claims. He joined the company in 1934.

Harold J. Gilmore was named auditor and superintendent of administration for the department.

Norbert A. Drake was appointed assistant superintendent of surety claims.

Moon Named President of Capitol Indemnity

Howard D. Moon has been elected president, director and general manager of Capitol Indemnity of Indianapolis. He has been vice-president and a director of Utilities of St. Louis.

Mr. Moon succeeds R. Martin Worrell, who has been president and director of Capitol Indemnity.

After four years as an investment securities dealer in Milwaukee, Mr. Moon entered the agency business, and later was with Employers Mutuals of Wausau. Subsequently he became superintendent of agencies of Celina Mutual before joining Utilities.

Ky. Bulletin Cautions on Block Policy Sales

Commissioner Goebel of Kentucky has issued a letter of caution to advise companies that dealers and merchandise broad policies are not to be solicited in the state unless appropriate filings have been made with and approved by the department. Insurers are asked to acknowledge the bulletin and advise the department whether such policies have been written without a filing and approval.

Fordham Heads Fire Unit at K. C. for American Auto

American Automobile and Associated Indemnity have appointed Harlan Fordham as fire and marine manager at Kansas City.

For three years Mr. Fordham has been with General of Seattle as a field man in Missouri and northeastern Kansas. He started in insurance with Prudential in 1941, and after navy service went with Hardware Mutuals of Stevens Point as a fire and casualty field representative.

Philip S. Brown, vice-president of Hartford Fire, has been elected a director of that company and Hartford Accident, succeeding Henry R. Mallory, who resigned following his retirement as vice-president of Cheney Brothers and chairman and treasurer of Pioneer Parachute Co. of Manchester, Conn.

Stettin Mutual Fire has purchased a new site in the Town of Stettin, Wis., on which it will build a new home office. The mutual writes fire and extended coverage in Marathon, Clark, Lincoln and Shawano counties. A. J. Gassner, Town of Stettin, is secretary.

Scholarship Fund Started By Royal

Royal has established an annual scholarship fund providing for a year of study in the field of economics at an American or British university for a U. S. or English graduate student with the purpose of assisting in the continuation of friendly economic understanding between this country and Great Britain.

The English-Speaking Union, which is administering the fund, has selected as the first scholarship recipient David M. Winch, 21, who last year received a first class honors degree in economics at the London School of Economics.

He has been accepted for graduate study as a special full-time student in the graduate school of Yale where he will pursue a program of research in the transportation field.

Members of the selection committee of the English-Speaking Union who selected him for the scholarship are Winifred Cullis, professor emeritus of University of London; Sir Alexander Carr-Saunders, director of the London School of Economics; Geoffret Crowther, editor of the *Economist*, and Charles F. Trustam, general manager of Royal.

Goodwin, Hamilton Named by Phoenix, Conn.

John K. Goodwin has been named manager and James C. Hamilton Jr. superintendent of the casualty and surety division at the Oklahoma City office of Phoenix of Hartford group.

Lester N. Hull is special agent there for the inland marine division and T. Fred Thomson is in charge of the claims division.

HPR and Deferred Premium Hearings in Texas July 7

Texas board of commissioners will hold a hearing July 7 at Austin to consider adoption of rules, rates and forms for use in rating highly protected risks, and revision of the rules and rates of interest applicable to deferred premium payments. Those wishing to file written statements should get them to the board by July 7.

Mrs. Dorothy Reese has been elected president of Insurance Women of Scranton, Pa. Other officers are Mrs. Stella Van Gorder, vice-president, Miss Sally Duggan, secretary and Miss Martha Caryl, treasurer. Mrs. Muriel O'Connor is the new director.

The Ridgecrest, Cal., office of Barr Adjustment has been moved to larger quarters at 125 North Balsam avenue.

CHOICE SPECIAL AGENT POSITIONS

Chicago Fire Agent.....	\$7,500.
Missouri Casualty State Agt.....	\$7,500.
Ohio Fire-Marine Agent.....	\$7,000.
Maryland Fire-Marine Agent.....	\$6,800.
Chicago Casualty Agent.....	\$6,300.
Wisconsin Fire Agent.....	\$6,300.
Chicago A. & H. S. Agent.....	\$5,000.+

Many other equally attractive positions available throughout country. Write about unlisted areas. All inquiries handled confidentially.

FERGASON PERSONNEL

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HARRISON 7-9040

Fire Losses in May Shoot Up 15.3%

Fire losses in the U. S. during May totaled \$71,789,000, an increase of 15.3% over the total for May 1954, according to National Board. For the first five months, the total stood at \$398,929,000, an increase of 2.2% over the first five months of 1954.

Losses for the above period and the two preceding years were:

	1955	1954	1953
January	\$75,265,000	\$86,493,000	\$76,659,000
February	85,046,000	79,928,000	72,796,000
March	88,197,000	84,821,000	83,471,000
April	78,632,000	77,933,000	67,362,000
May	71,789,000	62,282,000	64,239,000

Casualty Companies Elect Gerdes, Others. Mills Is Retiring

The executive committee of Assn. of Casualty & Surety Companies elected Victor Gerdes, manager of the research department, secretary to succeed Louis A. Mills, who retires this month.

Other officers and key executives elected are William Hicks, treasurer, Marcus Abramson and Robert N. Gilmore, assistant counsels; Richard C. Wagner, manager of casualty department and assistant counsel; David Q. Cohen, manager of fidelity and surety department; N. Morgan Woods, manager of claims bureau; Thomas N. Boate, manager of accident prevention department; Harold K. Philips, manager of public relations department; Roy L. Davis, manager of Chicago office; Perry H. Taft, manager of Pacific coast office, and Howard M. Starling, manager of Washington office.

Mr. Mills has been with the association 37 years. He became an attorney for the workmen's compensation publicity bureau, forerunner of the association, in 1918 and has been with the organization ever since. In 1937, he became assistant secretary and in 1940 secretary.

Zenith National To Sell Contribution Certificates

LOS ANGELES—Zenith National has applied to the California department for a permit to issue contribution certificates in the amount of \$300,000 bearing 5% interest to stockholders. In the application, William S. Hassen, secretary-treasurer of Zenith, seeks to exchange 850 shares of stock of Founders of Los Angeles in exchange for a contribution certificate of \$25,000. In addition, the application asks that Nathan Hassen, Betty Stein and Edward G. Meadow, trustee, be permitted to accept a \$150,000 contribution certificate in exchange for property known as the "Bimini property" at a valuation to be set by the department after an appraisal.

\$400,000 N. J. Tomato Products Plant Burns

The Francis C. Stokes Co. tomato cannery at Vincetown, N. J. sustained a \$400,000 fire loss. Eight buildings were destroyed plus 75,000 cans of tomato products, a number of cooking vats and considerable machinery.

The loss was insured in the mutuals. Cause of fire was sparks from emery wheel being operated in machine shop located in main building which adjoined and communicated with the other plant buildings, all of which were frame. The plant foreman and two mechanics were in the shop sharpening tools and had a bucket with a small amount of gasoline standing near for cleaning purposes, a spark ignited the gasoline and one of the men attempted

to carry it outside but it burned his hands and he dropped it spilling the gasoline over the shop—that was the end.

Continental Can Co. owned the machinery and equipment. Stokes Co. owned the building and stock. A trucking company also had an interest in the stock.

Okla., Kan. Tornadoes May Cost \$10 Million

The total insurance loss from the tornadoes which struck Kansas and Oklahoma May 25-26 may run \$10 million, according to National Board estimates. So far about \$2 million has been paid out by stock insurers.

A special office to facilitate claims in and around Blackwell, Okla., is operating, and 48 adjusters and 25 clerks temporarily assigned there. A temporary office also was set up at Udall, Kan. At Blackwell payments totaled \$1,280,000 by June 14, at Udall \$1 million.

National Automobile Club Elects Shotwell

Samuel T. Shotwell, vice-president and Pacific Coast manager for North British group, has been elected president of National Automobile Club succeeding R. H. Griffith, who recently retired after many years with Glens Falls group.

Carl N. Homer, Deans & Homer, was elected vice-president. He had been chairman. New chairman is Paul McKown, resident vice-president of St. Paul F. & M., and John C. Qualmann, assistant U. S. manager of Royal-Liverpool group, was elected vice-chairman. A. J. Stockmiller, London & Lancashire, was elected to the board.

Several Insurance Bills in Closing Rush in Ohio

COLUMBUS—The Ohio legislature will adjourn in a few days, and a number of insurance bills are involved in the last-minute rush.

The senate committee has recommended compulsory inspection of automobiles. This bill has already passed the house.

The house has passed a bill permitting guaranteed arrest bond certificates to be issued by automobile associations.

The house has also passed a bill permitting school boards to buy automobile liability coverage on officers and employees.

The house has also passed a bill reorganizing the industrial commission.

A house committee has recommended a senate bill increasing to \$50,000 the amount of bonds a township may issue for fire protection.

A senate committee has recommended a bill requiring mutual bonding companies to maintain an unimpaired surplus of \$250,000.

The governor has signed bills to permit boards of education to buy liability insurance (effective Aug. 31) and an unsatisfied judgment endorsement on A&H policies (effective Aug. 30).

Pauley Is New President of Lincoln Bonding

Carroll R. Pauley has been elected president of Lincoln Bonding to succeed Edward A. Dosek, who has resigned. Gordon L. Pauley was named secretary to succeed Edwin Dosek. The company has moved to 945 South 27th Street, Lincoln.

The Dosek Bonding & Insurance Agency, headed by Edward Dosek, will continue in business at the old address of Lincoln Bonding, 1311 M Street.

Points Out Values in Conference Way of Auto Rate Making

Because in most cases the improvements contained in the recent revision of the automobile liability policy presents no competitive advantage. Producers are not likely to go to too much trouble to point up those improvements, Martin J. Welhoelter, assistant superintendent of the automobile department of U. S. F. & G., said in his talk at the midyear meeting of Maryland Assn. of Insurance Agents in Ocean City.

He urged agents to alert their customers to the broadened features so that they will be conscious not only of the breadth of coverage they have but also will recognize the willingness and sense of responsibility demonstrated by the companies the agents represent in providing protection in keeping with the trend of the times.

He noted that there are companies issuing policies providing broader coverage than that afforded by the standard form. There are also companies issuing policies with more limited coverage. But, he said, the thing for agents to do is to emphasize the good features of their own companies.

National Bureau and National Automobile Underwriters Assn.'s staffs, rating committees and forms committees continually are at work measuring the needs of the insuring public, he said—and converting those needs to coverage language and rate dollars. What the insuring public needs is not a matter of hypothetical appraisal, and requirements are not based on the imagination or opinions of a limited group. Needs and requirements of the

insuring public are gathered from the experiences of many companies in the handling of claims. They are developed through questions, criticisms, facts and suggestions of thousands of home office and field underwriters, managers, special agents, agents and brokers.

This data, he noted, coming from all sources in the business, are funneled to central points where they are studied, weighed and applied.

Millions of dollars of automobile premiums are written annually by agents who place their business in bureau and association companies, he said. The business goes there rather than somewhere else for a very good reason, and one that is good for the producers' customers as well as producers.

A broader policy or a reduced rate developed independently of other companies, to appeal to a selective market, has its drawbacks for the agency system of operation, he believes. Where it creates, as is often the case, selective underwriting as to class within class, that system is not well served, he said.

"We are influenced, yes, but not overcome, by competitive conditions," he commented. "We do not, however, risk doing things that could cause a deflection" from the principle of providing a stable and reliable market for the business of agents and their customers. Over the years, such a stable and reliable market, based on sound underwriting, is of paramount importance to the agent. This has been demonstrated time and again he declared.

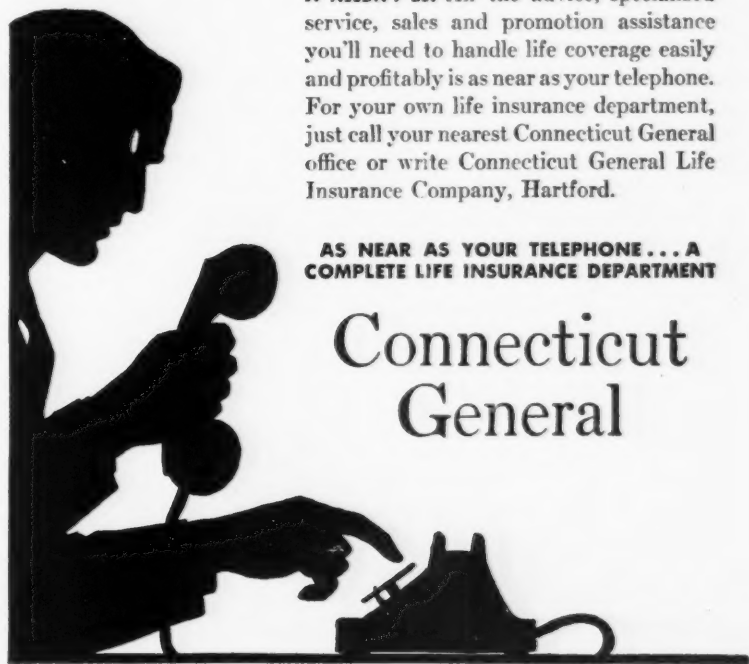
Southwest General of Dallas has been licensed in Arkansas, Georgia and New Mexico, and the company is now in eight states.

Life a problem?

IT NEEDN'T BE. All the advice, specialized service, sales and promotion assistance you'll need to handle life coverage easily and profitably is as near as your telephone. For your own life insurance department, just call your nearest Connecticut General office or write Connecticut General Life Insurance Company, Hartford.

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Connecticut General



Credit Insurance Men Elect; Joint Committee Report Recognized

Consumer Credit Insurance Assn. at its annual meeting at Genoa City, Wis., closed to all except members for the purpose of determining policy, elected new officers and came up with a resolution relative to the recently publicized report of the joint legislative committee of American Life Convention and Life Insurance Assn. of America on consumer credit insurance which recognized "that this type of insurance has a useful place in the industry."

The resolution stated in part that CCIA reaffirmed the guiding principles it submitted to National Assn. of Insurance Commissioners, which in a large measure were adopted by that organization in June, 1954. It also agreed the underlying principles suggested by the report of the joint committee "that any commission, dividend, premium refund or other compensation to the lender or vendor for providing credit insurance should be reasonable and that such payments shall be in addition to any other payment

for interest, or other items that may be subject to legal limitations" coincide with the thinking expressed by the association.

The resolution continued: "The officers, directors and staff of this association are hereby authorized and directed to cooperate with American Life Convention and Life Insurance Assn. of American staffs, and any other interested organizations, in implementing the foregoing principles and to furnish information and suggestions, based on the broad knowledge of companies experienced in this specialized field, to the end that any proposed legislation, regulation or other measure will be practical, effective and fair to the public, the industry and all concerned."

Allen J. Lefferdink, president, Colorado Credit Life, was named president to succeed Arthur J. Cade, executive vice-president, Old Republic Credit Life, who became chairman, succeeding T. Leslie Kizer, president Central States H&A Assn. Other officers are vice-presidents, Dwight W. Hollenbeck, president Credit Life, and Theodore S. Sanborn, president North Central Life; secretary-treasurer, John D. Mace, vice-president Central States H&A Assn. William J. Walsh was re-elected general counsel.

DEATHS

(CONTINUED FROM PAGE 21)

eral Insurers of St. Louis. He entered insurance in 1912, and later founded E. M. Jennings & Co. agency, which in 1923 was merged with Muckerman & Cushman to become General Insurers. Buschman-Jennings-Trout began business in 1954.

E. J. DROLETTE, since 1936 chief examiner and superintendent of the underwriting department in the Pacific department of New York Underwriters, died. He had been in fire insurance since 1916, starting with North America.

ROBERT J. BANCK, 44, Missouri, Kansas and Arkansas state agent of Dubuque F&M, died at Kansas City after an illness of two months. He had been with the company 28 years.

KERN D. METZGER, president of the Metzger-Gongwer-Metzger agency of Cleveland, died at his home in suburban Brecksville.

Mr. Metzger began his insurance career in 1924 as a special agent for U.S.F. & G., later becoming district supervisor. He joined Metzger-Gongwer-Metzger agency in 1932 as president.

Mr. Metzger was a major general in the air force, and had a distinguished military career. Until last September he was one of the top men in the air force production and mobilization field. He was recalled to army duty during the Korean war, and during the last world war he was in the air force, mostly at Wright field, where he was promoted in rank from captain to lieutenant-colonel.

PERRIS McNEIL, 55, who was with Western Adjustment at Louisville, died at Veterans Hospital there after a long illness. He had been with Western for 14 years.

WILLIAM H. WHITE, 81, Los Angeles local agent, died there. A son, William H. White Jr. is affiliated with the agency.

WILLIAM E. COLVILL, 67, a broker with the Haendel agency of Dayton, O., for 20 years, died.

Revised Method of Calculating Premium on MP Is Outlined

The premium for combined auto medical payments and extended medical payments coverage for insured who own more than one car is figured differently for types of owners depending on whether they are (1) individuals or families, or (2) partnerships, corporations, etc.

For the first car of the individual or family owner of two or more cars the premium is ascertained from table A in the manual and is \$5 for the minimum coverage of \$500 based on \$20 or less bodily injury rates. For each of the second, third or additional cars the premium is ascertained from table B and

Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

facilities and, with the strengthened financial position resulting from the merger of assets, greater capacity than heretofore.

Sun of New York will be headed by P. J. Priore as chairman. Mr. Priore has been president of Sun Indemnity. Vice-presidents of the new company are C. W. Ohlsen and G. Leycester Parker. Other officers are R. A. Kearney and Carl Schaefer, secretaries, Ira D. Ellison, treasurer and G. D. Hafely, assistant treasurer.

The U. S. branch of Sun Office has operated strictly as a fire company organization but it is now licensed to offer multiple line facilities.

Langan Advanced by National of Conn.

National of Hartford has promoted E. F. Langan to secretary in charge of underwriting for workmen's compensation, liability, burglary and plate glass. He will also have general supervision over payroll audit and the accident prevention and inspection departments. He joined the company in 1946 as superintendent of compensation and liability, and was appointed assistant secretary in 1952.

To Oppose Longshoremen Benefit Rise

WASHINGTON—Howard Starling, representing Assn. of Casualty & Surety Companies, was scheduled to appear June 24 before the Senate labor subcommittee hearing in opposition to four bills to amend the harbor workers and longshoremen's compensation act. They are Senate bills 594, 1307, 1308, and 1646. The bills propose to increase benefits under that law and otherwise amend it.

Approximately 20 witnesses were scheduled to testify pro and con at the two-day hearing beginning Thursday. They include a number of labor organization representatives.

is \$4 for the \$500 minimum coverage based on the \$20 or less BI rate.

Under the old medical payments the premium was charged on a per car basis, irrespective of type of ownership, and under the old extended medical payments the premium was on a per family basis. With the combination of the coverages the premium for individually owned private passenger cars is placed on a per car basis (table A), but to equalize the cost the coverage on the second, third or additionally owned cars is rated the same as private passenger cars owned by corporations or partnerships, the premium for which is calculated from table B.

Ready to Transform

The final legal obstacle blocking conversion of State Hospital Assn. of Taboro from a non-profit hospital service corporation to a stock accident and

health company has been removed. Objectors failed to perfect an appeal from a Wake superior court decision affirming Commissioner Gold's order approving the conversion. The association has indicated that it now will proceed with conversion.

Manitowoc Board Hears Lawyer

MANITOWOC, WIS.—The law of negligence and the effects of degrees of comparative negligence on damages recoverable, as defined by Wisconsin courts, was discussed by Richard Garrow, an attorney, at a meeting of Manitowoc Insurance Board.

Surplus Line Men Name Garrison

Maynard Garrison of the law firm of Wallace, Garrison, Norton & Ray, has been appointed general counsel of Surplus Line Assn. of California. Mr. Garrison was the California commissioner from 1943 to 1947.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, June 21, 1955.

Aetna Casualty	\$3.60	250	Bid
Aetna Fire	2.40	74	75 1/2
Aetna Life	3.00*	237	244
Agricultural	1.60	37 1/4	39 1/4
American Equitable	1.70	42 1/2	44
American Auto	1.20	28 1/2	30
American, (N. J.)	1.20	35	36
American Motorists	24	16 1/2	Bid
American Surety	3.00	94	Bid
Boston	1.60	41 1/2	43
Camden Fire	1.15*	29	30
Continental Casualty	1.40	129	133
Crum & Forster com.	2.90	75	77
Federal	.80	40	41
Fire Association	2.20	63	65
Fireman's Fund	1.80	76	78
Firemen's, (N. J.)	1.10	44	45
General Reinsurance	1.80	53 1/2	55
Glens Falls	2.00	80	82
Globe & Republic	.90	24	25
Great American Fire	1.50	43	44 1/2
Hartford Fire	3.00	178	180
Hanover Fire	2.00	48 1/2	56
Home (N. Y.)	2.00	49 1/2	50 1/2
Ins. Co. of No. America	2.50	122	125
Maryland Casualty	1.40	40 1/2	42
Mass. Bonding	1.50*	44 1/2	45 1/2
National Casualty	1.50*	45	Bid
National Fire	3.00	104	107
National Union	2.00	47 1/2	48 1/2
New Amsterdam Cys.	1.80	56 1/2	58
New Hampshire	2.00	51	52 1/2
North River	1.40	39	46
Ohio Casualty	1.80*	85	Bid
Phoenix Conn.	3.00	92	95
Prov. Wash.	1.00	27	28 1/2
St. Paul F. & M.	1.10	59	61
Security, Conn.	1.60	49	51
Springfield F. & M.	2.00	64	66
Standard Accident	1.80	69	71
Travelers	19.00*	2530	2560
U. S. F. & G.	2.00	79	81
U. S. Fire	1.80	62	Bid

*Includes Extras.

Illinois Brokers Fete A. T. Graham at 90



Directors of Insurance Brokers Assn. of Illinois recently gave a luncheon at Chicago Union League club to honor A. T. Graham on his 90th birthday. A past president of the association, Mr. Graham started in the insurance business in Chicago in 1879 and still remains an active force in insurance industry affairs. Shown in the picture—all from Chicago—are, left, Carl A. Berger. Mr. Graham, George A. Seaverns, Jr., Frank E. Mueller, Jr., president of the Illinois association; G. S. Middleton, director of the National association, and Anthony W. Ormiston. With the exception of Mr. Mueller, all are past presidents of the Illinois association.

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2. DEPENDABILITY Your assureds will be happy with the dependable service rendered them by AMERICAN GLASS. This service is backed up by years of experience, experience that means inspection, research and replacement know-how that is sure to please.

3. ACCURACY There is never a "lick-and-a-promise" when AMERICAN goes into action on a replacement job. From a small board-up to installation of a giant show window, the job is carefully done, insuring against call-backs or complaints.

4. EXPERIENCE Our replacement crews are not only carefully trained in the details of glass handling, but have many years of all-important actual experience behind them. This knowledge gained over a long period of time is an important part of our service.

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